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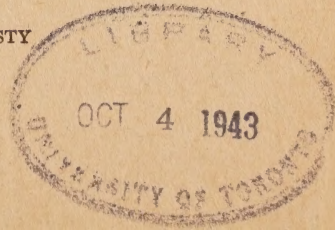
**Labour Relations and Wage
Conditions in Canada**

HEARING: OTTAWA

DATE: JUNE 16 and 17, 1943



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NATIONAL WAR LABOUR BOARD
LABOUR RELATIONS AND WAGE CONDITIONS
IN CANADA

Proceedings of Public Inquiry held in the Board Room of the Board of Transport Commissioners for Canada, Union Station, Ottawa, commencing on Wednesday, June 16, 1943, at 2.30 p.m., and continuing on Thursday, June 17, 1943, at 10.30 a.m.

PRESENT:

The Hon. Mr. Justice C. P. McTague, J.A., Chairman.

Mr. J. L. Cohen, K.C., Member of the Board.

Mr. Léon Lalande, Member of the Board.

Mr. D. G. Pyle, Secretary.

APPEARANCES:

F. H. Hall.....	Vice President, Brotherhood Railway and Steamship Clerks, Freight Handlers, Express and Station Employees.
Henry H. Hewetson.....	Vice-President, Imperial Oil Ltd.
H. R. Knowles.....	Operations Manager, Marketing Department, Imperial Oil Limited.
C. D. Crichton.....	Secretary, General Marketing Committee, Imperial Oil Limited.
S. LaPedes.....	General Organizer, United Garment Workers of America.
L. A. Forsyth, K.C.....	
Mrs. Kaspar Fraser.....	Chairman, Public Welfare Committee, Welfare Council of Toronto and District.
Miss Marjorie Bell.....	Director, Visiting Homemaker's Association, Toronto.
Gordon Henderson.....	Gowling, McTavish & Watt, presenting brief for Forty Industries in the City of Hamilton and neighbourhood.

VOLUME XII

(Hearings of June 16 and 17, 1943)

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Pursuant to adjournment the hearing was resumed on Wednesday, June 16, 1943, at 2.30 p.m.

The CHAIRMAN: Mr. Hall, you have a brief to present?

Mr. F. H. HALL (Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees):—

Mr. Chairman and members of the board:

This organization is one of the International Railway Labour unions comprising the general conference committee, on whose behalf a brief was submitted to the board on May 5 by Mr. J. B. Ward, its chairman. Unfortunately, the Brotherhood's collaboration in the preparation of the brief was curtailed by the occurrence of its regular quadrennial convention, which was held at St. Louis, Mo., necessitating absence from this country of its Canadian executive officers, general chairman, etc., during part of April and up to May 19.

The Brotherhood, while concurring fully in the excellent brief presented by Mr. Ward, nevertheless desires to give expression to certain of its views and experiences which may be of assistance.

In so doing, we direct ourselves to consideration of the first main category of the matters which the Board was given power to enquire into and report upon, namely, the question of labour relations, as to which the Board's attention was directed to the provisions of P.C. 2685.

Unhappily, it cannot be now said, as it was stated in P.C. 2685, that the development of Canada's war effort has not been hampered to date by the occurrence of any serious labour troubles. There have been very serious strikes, some of which are now in progress, there is a general feeling of perturbation and unrest among the workers in many industries. These have impaired, and threaten further, the country's war effort.

Some of these difficulties can be traced to failure on the part of industry to comply with the spirit and intent of the collective bargaining provisions of the order. This points, in our opinion, to the need of a more positive instrument for the application of such principles and provisions. The Board has, according to reports, already heard a great deal of argument and discussion on the pros and cons of compulsory collective bargaining, and we have no desire to burden the record further other than to state that this organization considers compulsory collective bargaining legislation to be a fundamental necessity, and to give some of the reasons for this opinion, out of our own experience.

We on the railways fortunately have had difficulty in this connection only in isolated instances. Outstanding among these, however, are the cases of the "Red Caps" employed by the Toronto Terminals Railway Company, and by the Canadian Pacific Railway at Montreal and Quebec. In both these cases the employing Companies refused to enter into agreements covering wages and working conditions. The Toronto case went to a board of conciliation and investigation. The Company (owned jointly by the Canadian National and Canadian Pacific Railways) took the position that Red Caps were not employees, but concessionaires whose services were hired and compensated for by the public. The

Department of Justice had ruled that the Red Caps were employees within the meaning of the Industrial Disputes Act. The board of conciliation and investigation found that they were employees in fact, should have the right to an agreement, should all be paid a basic wage. Long prior to that time, Red Caps in the United States had been accorded full employee status by authoritative action (Interstate Commerce Commission, *Ex parte* No. 72, September 29, 1938) and agreements covering their employment entered into between the carriers and the Red Caps' union.

The Toronto Terminals Railway refused to accept the findings of the board of conciliation and investigation. In the Montreal case, the Minister of Labour declined to establish a board, because one could only cover the same ground as in the Toronto case. These employees, therefore, all remain in a very discriminatory position—refused the right to bargain collectively, refused rights accorded to thousands of similar employees—Red Caps in the United States. They are disgruntled, accordingly, and to that extent the morale of workers is affected—not only these workers themselves, but other classes and groups associated with them, who feel, and with some justification, that the “right” to bargain collectively is but a pious insincerity.

The exercise of collective bargaining rights should not be subject to an employer's whim or an archaic or reactionary labour policy.

A quite recent case was in connection with employees of Montreal Stock Yards Company, a subsidiary of Canadian National Railways. Unsolicited, a considerable number of these workers approached the Brotherhood for admission to membership, saying that they desired to become identified with the general purposes and activities of the labour movement, and also wanted to secure an agreement governing rates of pay and working conditions, to include some wage increases or adjustments. The Brotherhood undertook to establish a local lodge of these employees. Whereupon, the manager of the concern called a meeting of the employees, and, according to a sworn statement given by some of their number, intimidated them by threatening to curtail operations and the staff, even, if necessary, ceasing operations altogether, rather than do business with an outside union. A so-called employees' “association” then came into being. The company then joined with the association in an application to the National War Labour Board for an increase in wages, notwithstanding the fact that the employees' bargaining agent had not been determined, by proper means. The company was aware that the matter was the subject of an application by the Brotherhood's members for the establishment of a board of conciliation and investigation. The mills of the gods ground slowly—indeed, more slowly than usual. When, months later, a vote was taken to determine the right to represent, the combination of delay, the manager's threats, the company's recognition of the “association” and its joint application with the “association” for a wage increase was just too much for the Brotherhood. Thus, the free exercise of collective bargaining rights was thwarted. Lacking adequate machinery and direction by law, the legitimate aspirations of the employees were temporarily defeated.

Mr. COHEN: Have you any particulars as to the time ensuing from the filing of the application until the appointment of the board of conciliation?

Mr. HALL: We sent an application in towards the latter part of last year. Somehow the question got before the Department of Justice, and the decision was given that this concern operated exclusively in the Province of Quebec

and did not come under the federal act. We questioned that and did not get an answer to it. We tried to get the provincial authorities to take the matter in hand. We finally came back to Ottawa and were successful in presenting our view that it did come under the Industrial Disputes Investigation Act and the firm was ancillary to the C.N.R. We then renewed our application toward the latter part of April. We assumed the thing would go through the regular channels and that a board would be established. I was away in St. Louis, as were my colleagues. The Department of Labour had appointed a commission to look into the matter. It was a couple of days getting to Montreal and a couple of days to St. Louis. I wired and asked that this be held until I could return. Without waiting to do that they went into Montreal and took a vote, and the result was that by three votes the company representation won. We have had nothing to do with the matter since.

Mr. COHEN: What time elapsed between the time the commission was appointed and the taking of the vote?

Mr. HALL: Forty-eight hours.

Mr. COHEN: Your application had been dragging on from the end of 1942, and the commission was appointed—

Mr. HALL: In May, 1943.

Mr. COHEN: And then within forty-eight hours a vote was taken?

Mr. HALL: That is right. As soon as I received the letter I wired. The men were afraid they were faced with losing their jobs.

Mr. LALANDE: Who was the commissioner?

Mr. HALL: Mr. Wilson. I have not seen him from that day to this. We have submitted no formal objection, but that having been done it leaves us in a most unfortunate position.

It is perhaps true to say that generally speaking there has been less controversy and dispute on such matters on the railways, both in the United States and Canada, than in most other industries. But it must be remembered that in the United States the situation required "The Railway Labour Act" before the irritations caused by the policy of the less co-operative and sagacious of the carriers were fully removed. Such cases as those cited in the foregoing could not have occurred under that act, section 2 of which reads in part as follows:—

Third. Representatives, for the purposes of this act, shall be designated by the respective parties without interference, influence, or coercion by either party over the designation of representatives by the other; and neither party shall in any way interfere with, influence, or coerce the other in its choice of representatives. Representatives of employees for the purposes of this act need not be persons in the employ of the carrier, and no carrier shall, by interference, influence, or coercion seek in any manner to prevent the designation by its employees as their representatives of those who or which are not employees of the carrier.

Fourth. Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purposes of this act. No carrier, its officers or agents, shall deny or in any way question the right of its employees to join, organize, or assist in organizing the labour organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of its employees, or to use the funds of the carrier in

maintaining or assisting or contributing to any labour organization, labour representative, or other agency of collective bargaining, or in performing any work therefor, or to influence or coerce employees in an effort to induce them to join or remain or not to join or remain members of any labour organization or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to labour organizations, or to collect or to assist in the collection of any such dues, fees, assessments, or other contributions: PROVIDED, that nothing in this Act shall be construed to prohibit a carrier from permitting an employee, individually, or local representatives of employees from conferring with management during working hours without loss of time, or to prohibit a carrier from furnishing free transportation to its employees while engaged in the business of a labour organization.

Fifth. No carrier, its officers, or agents shall require any person seeking employment to sign any contract or agreement promising to join or not to join a labour organization; and if any such contract has been enforced prior to the effective date of this act, then such carrier shall notify the employees by an appropriate order that such contract has been discarded and is no longer binding on them in any way.

Mr. LALANDE: Do you recall when these provisions were first enacted in the United States?

Mr. HALL: In 1926 first, and it has been amended once or twice since. We would be glad to furnish you with a copy.

Mr. COHEN: It is available to us.

Mr. HALL: The act sets up appropriate machinery for the handling of disputes, and imposes severe penalties for infractions of its provisions.

This organization is interested in the same subject as applying to employees of the National Harbours Board. They have, unsuccessfully, sought to "bargain collectively" with the board on behalf of those they represent. Some time ago the Department of Justice ruled that the Industrial Disputes Investigation Act had no application to the National Harbours Board or its employees, and, furthermore, that the employees were not free to engage in a strike. They are, therefore, bound hand and foot, frustrated in their legitimate aims. They cannot bargain collectively, they cannot have their disputes dealt with under the I.D.A., they cannot strike. This is surely an anomalous state of affairs, and one inconsistent with the rights of free men and contemporary thought. It is even more so when we know that the government has already adopted an Order in Council, P.C. 10802, December 1, 1942, according the right of collective bargaining to the employees of other Crown properties. Its provision should be extended to all government corporations.

We understand the application of the Order in Council was confined to crown companies engaged in war work. It was desired by those responsible for it to distinguish between those operations and others which would remain in being after the war. Our organization represents some employees of the Harbour Board at Montreal and Quebec. We tried to have the board established, and that led up to the finding they were not amenable to the I.D.I. act. In the past two or three weeks I noticed that the men at the government elevator at Quebec had gone on strike. It was settled. I do not know how. There is another anomaly. There are at present agreements in effect covering some employees of the National Harbour Board—the running tradesmen, the Brotherhood of Locomotive Engineers and the Brotherhood of Railway Trainmen. These agreements were negotiated with the old harbour commission at Montreal and Quebec, and, I think, Vancouver. They were allowed to remain

when the National Harbour Board took over, so that they are technically in existence. At the same time the class of workers represented by this organization have no agreement and are denied the right to bargain. I understand the employees of the C.B.C. are in the same boat.

Mr. COHEN: Do you know on what basis the ruling of the Justice Department was made that these men were not free to engage in a strike? Was it because of their duty to the public?

Mr. HALL: Yes, there could not be a contract between the King and his subjects, and the National Harbour Board was an emanation of the crown. They are not civil servants.

Mr. LALANDE: The opinion was given, I believe, with respect to the Industrial Disputes Investigation Act. I suppose the interpretation of the Department of Justice of the definition of employee was of the definition as it is contained in that particular statute.

Mr. HALL: As I recall the information given by the Department of Justice, it was that these were employees of the crown, and there could not be a contract or agreement between the crown and the subjects.

Mr. COHEN: That would go to the question of whether or not the I.D.I. Act applies.

Mr. HALL: That is right.

Mr. COHEN: I was asking with respect to the suggestion that the employees could not strike. I wondered what that was based on.

Mr. HALL: If I recall aright, when I wrote to the Department of Labour they contented themselves with the bare statement that in the opinion of the Department of Justice the employees were not free to strike. Of course that is another anomaly in the whole picture. There is no attempt to prevent them from organizing, but they cannot bargain collectively, so that the right to organize means nothing, and it is a cause of universal dissatisfaction among employees. The Order in Council first provided for the inclusion of the National Harbour Board and the C.B.C., but when it got to a certain point the broadcasting corporation and the harbour board were taken out.

Mr. COHEN: I understood the C.B.C. were included.

Mr. HALL: They were, and were taken out. A separate Order in Council was drafted for them. My information is that that will not be adopted and that the National Harbour Board will not be adopted either.

Union Recognition

This is not an inappropriate time to again raise the fundamental question of union recognition. While it is true that generally speaking, relations between Canadian railways and their organized employees have been and are on an amicable basis, nevertheless some of the latter feel themselves to be in an unfavourable position with regard to union recognition, in the light of the situation as it exists elsewhere in this particular. Certain agreements, notably those between the Brotherhood of Maintenance of Way Employees and the Railway Association of Canada, and between Division No. 4, Railway Employees Department (Shopcrafts) and the Railway Association, imply union recognition. Others are between the "Railways" and their "Employees" of the respectively designated classes. Past attempts to have these latter changed to Railways-Union agreements have been fruitless, this notwithstanding that such a practice has become quite universal in other industries. In other branches of transportation, for example, the steamship industry, there is recognition of the employees' union. The agreements which have existed between the Trans-Atlantic

Steamship Companies constituting the Shipping Federation of Canada, and their longshoremen, have been with the International Longshoremen's Association. In the Great Lakes Steamship Services, agreements covering freight handling operations at the various ports are between the companies (such as Canada Steamship Lines Limited) and the International Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees.

In fact, modern employers generally have a realistic attitude towards the question of union recognition, and accept it as a prerequisite to the establishment of a proper relationship. In the United States, these same international railway labour unions enjoy a recognition accorded by the Railway Labour Act, wherein the definition of "Representative" is: ". . . any person or persons, labour union, organization or corporation designated either by a carrier or group of carriers or by its or their employees, to act for it or them."

The position of employers who refuse to recognize the unions representing their employees is contrary to the spirit, if not the letter, of our government's labour policy as expressed in P.C. 2685. To those who would deny such to be the case, it might be pointed out that inasmuch as the Order states employees "should be free to organize in trade unions . . .", and through the officers of their trade unions . . . should be free to negotiate with employers, there is great inconsistency in refusal to accord formal recognition to these same unions.

The attitude of the Railways in this connection is, indeed, most archaic. It is, apparently, based on the fallacious idea that maintenance of the employer-employee bargaining and relationship basis tends to retain what might be termed a domestic atmosphere and approach to industrial problems affecting the employees. Whatever this idea may have held in fact, in bygone years, has been dissipated by the widening horizons, associations, and interdependence of the various unions.

The Railways' attitude is a denial of equality of status in relationships. It is discriminatory in that these same unions are recognized in the United States, and that the principle of union recognition has become widely conceded. It is not a source of pride that the industry in this country should be unwilling to concede such a democratic principle, and move forward with the times. Employers—whether they be railways or what—should be required to recognize the unions of their employees.

This seems to us to be in some measure a matter of principle with the railways, in others a matter of opportunism. They recognize the shop crafts, maintenance of way, and their engineers, and yet how ridiculous the situation can become is evident from our own situation. On the C.P.R. we negotiated an agreement with the western lines management around 1919 or 1920. That agreement has been in existence ever since in that form. On the eastern lines, where we were dealing during the same years with another set of officers, they would not agree to that form. We accepted the agreement between the C.P.R. and its clerks. This remained that way for years. Some weeks ago we served notice on the C.P.R. to open both these agreements and look into their amendment. One of the propositions we made was that these two agreements be merged into one, and they said "no." We mentioned we had it on the western lines, and they said that under no circumstances would they give it to us on the eastern lines. We resent that very much. If we are going to accomplish the merging we are going to lose the measure of recognition we have on the western lines.

The CHAIRMAN: They do recognize you and bargain with you. That is a form of agreement.

MR. HALL: I do not know what to say about the whole thing. They have recognized us. Mr. Rowe can go in their office, and so can I, and have talks with the vice-president. But if the local secretary of one of our lodges writes to the agent, or the divisional superintendent on the brotherhood letterhead, they send it back and say, "Write us on plain paper. We do not recognize your organization." It is absurd in some particulars. We suggest the matter be handled the same way as it is in the United States; once a union has established its right to represent the employees it must be recognized. It is a question of principle. There should be a basis of bargaining between the corporation and the employees' organization. That is the only full measure of collective bargaining that can be established.

Wage Control, etc.

That the "pegging" of wages perpetuates many injustices among low paid workers is obvious, and this is a subject which will no doubt be dealt with at length by many in this inquiry. There is one effect of the policy, however, we desire to deal with now, which is that the policy ignores the definitely inferior wage position of Canadian to United States workers, a condition under which workers in this country have chafed for some time. Although there is a closely integrated industrial economy between the two countries, which under the stress and needs of war is constantly becoming more so, Canadian workers find themselves falling still further behind in wage rates. This is true of railway as well as other workers.

Speaking for the classes of workers we represent, because comparisons can be drawn on the scale of wages in effect. The rates of freight handlers are around twenty-three cents an hour less here than in the United States, whereas going back to 1920 they were on a parity. Within the last week or so a decision has been rendered by the Presidential Emergency Board granting the employees covered by the fourteen non-operating unions increases of eight cents an hour. In December, 1941, they got ten cents, and in 1937 they got five cents. None of these has been applied to the railway workers in this country. They belong to the same organization, and feel pretty strongly about it.

MR. LALANDE: I think you will agree that in order to explore fully the question of the nominal disparity between Canada and the United States rates you would have to go into the question of real wages.

MR. HALL: We have never taken any exception to that. There might be something to be said against our case at the moment. We think the twenty-three cents might be narrowed down a little bit. The same conditions obtained when the cost of living in the United States was just about level with the cost of living in this country.

MR. COHEN: This question of real wages never seems to bother people in the border towns. They usually do their shopping on the other side of the border, if they can get across.

MR. HALL: We take the position it should be approached in a logical way. We are satisfied that twenty-three cents is extreme, when we started the same when there was no difference in the cost of living or even when their cost of living was lower than ours.

MR. LALANDE: The custom is probably reversed now; the United States citizens are doing their shopping on the Canadian side. It is or was until recently quite prevalent in Windsor.

Mr. HALL: They can do it. They can buy certain things more readily on this side than in the United States. It is not a question of price disparity.

The justification for this has never been admitted, and cannot be admitted now. It is a constant source of unrest. The workers have not been able to understand why an industry in the United States could pay higher wages than the same industry—sometimes the same corporation—in Canada. This condition points to the existence of better United States than Canadian standards, better consideration for the United States employee than for the Canadian.

The basic object of P.C. 5963, viz., the stabilization of prices, and prevention of inflation, is, indeed, commendable. But it appears to us that this is an instance of the cure being worse than the disease. It is as if a conflagration were extinguished by starting a flood. Desirable as are the purposes of the Wartime Wages Control Order, we take it that the country's primary object is to put forth a maximum war effort—to win the war. In our opinion, the inflexible provisions of the order militate against this. We cannot get the best out of labour by a penny pinching policy. If there is legitimate dissatisfaction over wages it should be eliminated by granting a wage increase, in the interests of the prime consideration—winning the war. The policy is not realistic in the light of wartime necessities. It ignores both human nature and human values. It causes discontent and unrest, sometimes interferes with the successful operation of industry. May we give the Board one example.

Workers, possessing a quite natural desire to provide as well as possible for their families, gravitate to industries where they can get high wages. As a result, certain industries which are vital in wartime, but where low wages prevail, are losing their experienced help. The interior navigation steamship industry is one of these. Its employees, working at various ports from Quebec to the head of the Lakes, perhaps two thousand in number, are engaged only during the season of navigation, approximately seven months in the year. Their basic rate (truckers) is 50 cents per hour. Since the war started, most of them have been getting jobs in war and other industries for the other five months. When navigation starts in May, these workers refuse to go back to freight handling at 50 cents an hour because they are making more money where they are, working less hard for it under better conditions than those obtaining on a waterfront. Selective Service regulations require that the industries engaging these workers release them so they may be directed back to the steamship industry, but they either refuse to go, go unwillingly, or just go through the motions of reporting back so they can quit as soon as possible and get work elsewhere. This has resulted in anywhere from only ten to fifty per cent of the regular, experienced men being available at certain ports, notably Sarnia, where a big synthetic rubber plant is under construction and has attracted the men, and Windsor, Hamilton and Toronto. Thus we have an important industry, engaged in transportation of commodities many of which are of wartime significance, hamstrung by the policy. Operations have to be curtailed because of lack of adequate and experienced help.

In connection with Sarnia a couple of the companies there imported workers from Montreal last year. They did not last more than four or five days, or two weeks, and then went around to places where they could get higher wages. They then brought some new Canadians, as they call them, down from the head of the lakes, where there was a pool of unemployed men, but they could not make it. The company had to give up part of the business. Ogilvie's, who ship a lot of flour from the head of the lakes, were told they could not handle the work.

We hold that reasonable wage increases would not necessarily be inflationary, and that the morale and goodwill of the workers are of first importance. They know that industries are making more money now than ever before, they are not sure that excess profits taxes get all the increase in earnings. They know about undistributed profits, the retiring of millions of dollars of obligations without refunding, they know of plant and property improvements, and about plant acquisitions under government contracts. So they become disgruntled over the rigid wage freezing policy of P.C. 5963.

The CHAIRMAN: I quite agree there may be wage increases without inflationary tendencies, but how do you distinguish between those which are inflationary and those which are not?

Mr. HALL: There are all sorts of views with regard to the degree to which higher wages are inflationary.

The CHAIRMAN: I know there are cases where they are not at all.

Mr. HALL: The Presidential Board in the United States, in giving the eight cents an hour increase to which I have referred, expressed the opinion this would not contribute to inflation, that it could be absorbed by the industry without increasing the price of the commodity sold—transportation. This is the case in a great many industries. The railways are making more than they ever did in their lives, retiring more than thirty-five to forty million dollars a year without refunding. They can take care of additions and payrolls without passing the cost to the public.

The CHAIRMAN: It is not as simple as that. You may say that industry can take care of it, but then it pays less excess profits tax and there is less money available to throw into war materials.

Mr. HALL: All the employees know perfectly well that none of this goes into excess profit taxes. They put it back into the plant and undivided profits.

The CHAIRMAN: How can they do that? I am interested in that.

Mr. COHEN: Now you have started something.

Mr. HALL: The last report of the C.P.R. will give you some information on that.

The CHAIRMAN: You say they put it back in undivided profits. Do you mean by that they may have enough left for dividend requirements after paying taxes?

Mr. HALL: Yes, in the case of the C.P.R., thirty-five million dollars last year, eighty million dollars in the last three years. They have accomplished all that without refunding. We understand also there is an amount of money available for profits, which has not been distributed, and which are not subject to taxation.

The CHAIRMAN: I am wondering why that is not subject to taxation.

Mr. HALL: I cannot tell you that.

Mr. COHEN: I suppose you are questioning some of the reserves and contingency funds?

Mr. HALL: Yes, that is put back into the reserves available for distribution later on under more favourable conditions than now obtain.

Mr. LALANDE: It certainly will not go to the shareholders without going through the process of taxation.

Mr. HALL: The bondholders have been doing pretty well all through the years of the depression.

Mr. COHEN: There are two senses in which the term "inflation" may be used. Generally speaking when thinking of inflation we are thinking in terms of price levels of consumable commodities. That invokes one aspect of the

considerations involved. On the other hand there may be a tendency to inflate the public debt, as for instance, in the situation described by the chairman. Some wage increases may be granted by the railway corporation that would not be inflationary so far as making any impact on the commodity level is concerned, but there might be loss to the government by way of excess profits taxation, and that is a different type of inflation; it is inflation of the public debt.

Mr. HALL: I do not believe anybody knows a great deal about the effects of the application of the excess profits tax. It is interesting to note that industries which can be shown to have been operating at sub-normal levels during certain years get concessions. Frankly the workers in this railway industry and those in others do not know how much these industries are paying in excess-profits tax. I think the sooner we get down to a factual expression of that, the more satisfied everybody will be. We know they can put money back into their plant and their physical property. As things are there is no difficulty in getting money for almost anything except wages. If a new station is wanted it can be provided, but if it is a question of a couple of cents an hour in wages there is a holler.

We do not hold, however, that the bars should go down completely, or that the principle should be discarded entirely. But the present form of the policy is, in our view, too inflexible to be practical. A less rigid formula should be adopted which would give to the National War Labour Board the authority to deal with and decide bona fide meritorious cases in a practical way, and if the granting of a wage increase is justified and warranted by the circumstances, and will contribute in some measure to winning the war, then by all means it should be authorized.

The CHAIRMAN: Thank you, Mr. Hall.

Mr. HENRY H. HEWETSON (Imperial Oil Limited): Mr. Chairman and gentlemen of the board, I have with me Mr. H. R. Knowles and Mr. C. D. Crichton. Our submission is as follows:—

Imperial Oil Limited appreciates the opportunity afforded to place before the Board its views with regard to employee-employer relations. These views are based upon the experience of many years of operations without labour disturbance. Accordingly, in making this presentation we pay tribute to the co-operation of the company's many employees in achieving this record. For over twenty years employees representation through the Joint Council has provided the medium by which employees have at all times been able to approach and finalize with management matters of concern and mutual interest.

With this background, it is our purpose to deal primarily with the labour relations aspect of this inquiry, and, in so doing, we are particularly interested in protecting this method of dealing between employees and management. The fact that there have been presented to the Board recommendations which if implemented might eliminate employee representation plans and the Joint Council as a legal means of negotiation between employees and employers has caused us to feel that presentation by us at this time is necessary in order that the Board may, in preparing its report and recommendations, consider this procedure which has resulted for many years in both peaceful and harmonious labour-management relations.

Employees and employers generally desire industrial peace. So also, in the public interest, does a government of the people. Industrial peace can be attained through co-operative effort on the part of both

employee and employer, but where co-operation is absent there is necessarily essential conflict, and in such circumstances, even when there is no actual strife, there is not peace but a truce.

It is granted that the co-operative approach may not always be attainable under conditions obtaining in certain industries due to a variety of circumstances or attitudes involving both employer and employee. Nevertheless, legislation should provide that the way be left open at all times for employees to deal co-operatively with their employer in their own way by any procedure they may choose even though such employees are a minority group.

The Employee-Employer Joint Council is one form of organization which has demonstrated its usefulness in preserving peace and promoting justice, and any such organization, as well as the labour union, should be recognized and protected by law.

If industrial peace is an objective, the law should provide that all procedures helpful to attain same should be utilized between employees and employers before there is any recourse to strike or lockout. No matter what type of organization or plan may be chosen, a definite grievance procedure should be followed prior to breaking of negotiations, and a truce should be protected by procedure to which both sides should adhere. As a last resort, there should be an impartial body having jurisdiction to avoid or end strife by settling disputes between employee-representatives and employers, it being a requirement that before such body deals with the matter to effect settlement proof must be furnished that reasonable procedure had been followed by both parties in an effort to settle the grievance.

Mr. COHEN: Suppose one party did follow reasonable procedure and the other did not; would that mean that the arbitration board could not acquire jurisdiction?

Mr. HEWETSON: I would say that the board would take that into consideration.

Mr. COHEN: I was interested in the significance of the statement that both parties must furnish proof that reasonable procedure had been followed by both parties in an effort to settle the grievance. I cannot follow that.

Mr. HEWETSON: If there is a matter which comes before the board, it should be established by both employers and employees that a full effort had been made to settle the dispute.

Mr. LALANDE: I suppose a reasonable interpretation of that sentence is that the party applying to the board for relief would have to establish that he has followed the procedure laid down.

Mr. HEWETSON: A satisfactory procedure. In other words it is conceivable the board might hear a grievance which had never been properly presented to the same management, and it should be required that both sides have followed the grievance procedure.

Mr. COHEN: Suppose one side does not. You say both parties, and I cannot read anything into that term. Suppose one party has done whatever it can do to follow orderly procedure, and the other party has declined to take part in that process, on the formula as you put it here there would be no jurisdiction established in the arbitration board. You do not intend that consequence to follow?

Mr. HEWETSON: No, the board has to make its decision. It will be based on the fact that both parties had followed the satisfactory grievance procedure.

Mr. COHEN: We are running around in circles. Perhaps I have failed to make myself clear.

Mr. HEWETSON:

Legislation should by no means preclude the rights of employees to organize and by their own choice to arrange freely any form of collective dealing or bargaining. The law, however, should not compel an individual employee to be represented by some agency not of his choosing, as this would be coercive legislation in that such legislation would deprive him as a citizen of his freedom of action. The law should not recognize the closed shop unless voluntarily subscribed to by all employees and the employer. In certain organizations or plants there may be one group of employees who are members of unions and who choose to deal with the management through the medium of their union representation; also there may be another group who choose the Joint Council route; there should be no law to prevent this.

As we see it, the only fundamental legislation required so far as employees are concerned is that legislation which assures an employee the untrammelled legal right to:

- (1) Freedom of association in dealing with his employer, as, for example, individually or through any group or union or representative of his choosing.
- (2) Deal with his employer at his own choosing on,—
 - (a) a co-operative basis,
 - (b) an essential conflict basis.

The CHAIRMAN: Suppose there is a legal right of freedom of association, and then the right to deal with the employer on either basis which you offer. How is that going to ensure that the employer shall not just sit back on his heels and refuse to deal?

Mr. HEWETSON: As I view it the employer does not have to sit back on his heels. The employees collectively attempt to deal with the problem or grievance, the matter of wages, or whatever is the particular problem; having failed to do so they would place their case before this board, and, through one step following another, try to have the grievance adjusted.

Mr. COHEN: What is this "essential conflict basis"? It is rather original. I have never seen it before in any text or document.

Mr. HEWETSON: I look upon a test of strength between opposed parties as an element opposed to a co-operative project.

Mr. LALANDE: I suppose that what you are getting at is the philosophy of collective bargaining?

Mr. HEWETSON: It might be so construed.

The rest of the legislation surrounding this matter, which has been so fully discussed and argued, can only provide the procedure for settlement of disputes between irreconcilable leaders among labour organizations and employers who are committed to dealing on an essential conflict basis. Referring only to such employers, they would include those who are either not willing or not prepared to face their employees in Joint Conference and approach their problems co-operatively on a mutual benefit basis, or those who cannot do so because of economic ills in their business. They must, therefore, resort to essential conflict in order to give in as little as possible to the demands of their employees. There is no question but that legislation should be provided in order to protect all

concerned in such "at arm's length" situations, and also there must be laws to punish coercion and violence and amply protect the rights of all interested parties, including minorities.

As previously indicated, we are not here to deal with the provisions for these rights and responsibilities of both labour organizations and employers, which might be incorporated into legislation. We are here to recommend protection of the Joint Council as a well-tried procedure in industrial relations that is based upon co-operation, goodwill and the community of interest between employees and employers.

Industrial representation through Joint Councils has brought industrial peace to workers and their families, and this method of dealing collectively or individually by employees should always be available to them when they are dealing with employers of the same spirit. There are many employees to-day who have achieved most desirable relations with their employers, and not only should they never be deprived of the result of their efforts, but the opportunity should be preserved for other employees, and their employers as well, to do likewise. It is essential, therefore, that the co-operative procedure as embodied in the Joint Council be protected by law for those who choose to make use of it.

All of which is respectfully submitted.

The CHAIRMAN: Thank you, Mr. Hewetson.

Mr. S. LAPEDES (United Garment Workers of America): Mr. Chairman, we desire to submit the following:—

The United Garment Workers of America is an international union of workers engaged in the manufacture of overalls, shirts, trousers, utility garments, etc. The International is affiliated with the American Federation of Labour and the Canadian membership, consisting of 2,500 members in 7 locals in the cities of Toronto, Winnipeg, Edmonton, Vancouver and Brantford, is affiliated to the Trades and Labour Congress of Canada. Our industry is classed as essential under the National Selective Service regulations. In part it is engaged directly on war work; the remainder is producing one of the most essential products for civilian consumption—work clothing for the production army.

In presenting this brief, we wish to associate ourselves fully with the representations already made by the Trades and Labour Congress. As the organized section of a generally unorganized and low-paid industry we believe, however, that we can and should make an additional contribution to these hearings by bringing to your attention the special needs of such workers in regard to wage adjustments, working conditions and collective bargaining.

In doing so we believe we are speaking not only for ourselves and for the unorganized workers in our own industry, but for large numbers of workers in other low-paid and unorganized industries who have no machinery for bringing their problems before you. It has been our experience that behind the silence of these workers without a spokesman lie vast accumulations of grievances and deplorable working and living conditions which are serious obstacles to morale, unity and production output. It is our firm belief, founded on our own experience of organization among such workers, that the establishment of effective machinery for making known and remedying these conditions will tap reservoirs of enthusiasm and productiveness vitally necessary for the war program of Canada and her Allies.

In particular, we wish to emphasize (1) the need for a positive policy on the part of the federal government to encourage collective bargaining, and (2) the need for establishing minimum standards of wages and hours on a national basis.

1. *Compulsory Collective Bargaining*

In a democratic country, and especially in a period of national crisis such as the present, it should not be necessary to turn to legal sanctions, economic struggle, or even extensive organization campaigns costly both in time and energy, to establish such a well-recognized and elementary right as that of employees to bargain collectively with their employer through representatives of their own free choice. But lip-service to the abstract principle of collective bargaining is not enough; it must be backed by effective means to establish that principle in practice.

From our experience, we are convinced that some machinery is necessary to compel the minority of unscrupulous employers to bargain with the representatives that their employees desire. The choice is clearly between legal sanctions and direct economic pressure—like our parent body, The Trades and Labour Congress of Canada, we prefer law to force. We are therefore in full agreement with the request for legislation making it compulsory for an employer to bargain in good faith with the collective bargaining agency representing the majority of his employees, and providing effective guarantees against company domination of the bargaining agency, whether by discriminating against individual employees for union membership or by sponsoring employees' associations which the company can dominate.

Mr. LALANDE: That seems to be the principle of the Ontario Collective Bargaining Act. You are satisfied with that?

Mr. LAPEDES: Yes.

The absence of such legislation is a direct handicap to full war production. One shop in our industry, for example, which has made a deliberate attempt to smash our union, had a labour turnover last year of 238 per cent—such rapid changes of staff of necessity reduce efficiency and hold down output. Moreover the undemocratic policies of such employers keep our members in a state of unrest and distract attention from the war effort—they force the union to divert to this struggle for recognition resources which would otherwise be available for a constructive program of war participation, and they remove any possibility of labour-management co-operation to increase production. They even to some extent throw doubt on the sincerity of the war program and aims, particularly since the government has not intervened to require employers to bring their policies into harmony with democratic principles.

In this connection we would like to bring to your attention a war-time decision of a British Court of Inquiry under the Industrial Courts Act of 1919, in the case of a dispute between the National Union of General and Municipal Workers and Trent Guns and Cartridges, Limited. Part of the summary of this decision which appeared in the *Labour Gazette* (October, 1941), published by our Canadian Department of Labour, is quoted below:—

The almost universal practice and well tried method of recognizing and negotiating with the trade union or unions fairly representing the workers should be adopted in these works, and unless it were adopted the court feared other troubles would arise.

The court appreciated that the Managing Director was quite sincere in his belief that he was entitled to refuse to have any dealings with a trade union, and he claimed that if he liked he was entitled to run his works on non-union lines. The report added that in peace time, if he chose to try to exercise this right and a trade dispute occurred in consequence, the national interest might not be gravely involved. In war time, however strongly individuals might desire to run their works in their own way, it was their duty to their country to fall into line with the vast majority of other good employers and to assist the government in the accepted methods of conciliation.

We would strongly urge that the requested legislation be made national in scope. The need is urgent, and waiting for action by the separate provincial legislatures would mean disastrous delay. We are also strongly opposed to any suggestion that employees of small firms be excluded from the benefits of such legislation. We believe that all employees without exception should be protected in the exercise of their right to bargain collectively. Moreover, operating as we do in an industry characterized by many small shops and extreme competition, we are convinced that collective bargaining must be universal in the interests of the stability of the industry itself.

As a further reason for effective encouragement of collective bargaining through legislation national in scope and applicable to all employees we submit that universal collective bargaining is an indispensable part of the machinery for enforcement of any form of national standards of wages, hours and working conditions. This has been conclusively demonstrated in the experience of the garment industries in which it is only in the thoroughly organized sections, and through the combined efforts of the unions and employers' associations, that fair employers have found protection from the unfair competition of less ethical employers.

2. *Minimum Standards of Wages and Hours on a National Basis*

We further respectfully submit that there is urgent need in Canada for a federal Wages and Hours Act, setting a minimum wage rate and a basic working week applicable to all Canada. We are in full agreement with the Trades and Labour Congress proposal for a 50 cents per hour minimum for all workers, and would suggest that the basic working week might very properly be established at 44 hours per week, with overtime at time and a half for work outside the regular hours. For the 48 hour week being worked by many industries during the war period that would amount to \$25 per week.

During the interval necessary to prepare such legislation and to bring it into effect, we would urge that workers earning less than 50 cents per hour or \$25 per week be permitted to negotiate freely with their employers, and that P.C. 5963 be revised to permit free bargaining up to that point without the necessity of applying to the regional war labour boards.

The necessity for legislation on a national scale to establish these minimum standards can be demonstrated from our own industry. The most significant figures, all of them taken from publications of the Dominion Bureau of Statistics, are summarized in the Appendix. The statistics, unfortunately, are scattered and sometimes not on a comparable basis, but even so, certain facts stand out very clearly.

1. Taking the men's clothing industry as a whole, even including the well organized and better paid section producing men's suits and overcoats, the average earnings of both male and female employees, whether taken on an annual, weekly, or hourly basis are distinctly low, and do not provide the minimum needs for healthful and efficient living.

2. Over the period from 1934 to 1939 those earnings did not show any definite upward trend, and the position of the male (and more recently, the female) garment workers in relation to workers in other industries have certainly deteriorated.

3. In general, average weekly earnings are lower for wage earners in Quebec and the western provinces than in Ontario.

4. Increases in weekly earnings from 1939 to 1941 are very largely to be accounted for by longer average hours of work.

5. In the sections of the industry coming under the jurisdiction of our union, that is, overalls, trousers, leather garments, work and fine shirts, neckwear, suspenders and other men's furnishings, average weekly earnings are generally from 20 per cent to $33\frac{1}{2}$ per cent below those in the men's suit and overcoat section.

6. Hours of work in our sections of the industry are consistently longer than in the men's suit and overcoat section. In 1941, approximately one-third of all the wage earners in our sections of the industry worked, on the average, more than 48 hours per week.

7. Average earnings of all employees (including salaried and both male and female wage earners) in almost every section of the men's clothing industry are highest in Toronto, considerably lower in Montreal, and on the average much lower in the outlying cities.

8. The annual report on *Wages and Hours of Labour in Manufacturing* of the Federal Department of Labour for 1941 reports wage rates and hours for our industry as follows:—

Shirt Industry

Male cutters—generally 40-50 cents per hour, 48 hour week (some 54 hours).

Sewing machine operators, female—generally 26 cents per hour, 48 or 50 hour week (some rates as low as 18 cents).

Female examiners—generally 25-27 cents, but range from 20 cents to 40 cents; hours from $46\frac{1}{2}$ to $51\frac{1}{4}$ per week.

Female pressers—generally 25-30 cents per hour; 50 or 51 hours per week.

Female box room workers—from 25-38 cents per hour, but generally under 30 cents; hours— $46\frac{1}{2}$ to 55 per week.

Male shippers—around 36-40 cents, with some up to 54 cents and 59 cents per hour, hours generally 48 to 50 per week.

Men's Work Clothing Industry

Male cutters—great majority from \$25-\$35 per week, hours generally 44-48 per week, but some go up to 55 or 56 and one shop even to 68 hours per week.

Sewing machine operators, female—rates generally from \$11 to \$17 a week, with a range as low as \$7 and as high as \$24 to \$29—hours generally 44 or 48 per week, but some shops as high as 55.

Female examiners—\$10-\$16, with a few \$19 and \$23 per week, hours 44-48 with a few shops over 50.

Male pressers—range from \$14 to \$39 per week, but \$22 or under in two-thirds of the shops, hours 44 or 48 per week, but some shops up to 55 and even 63 per week.

The rates shown for the men's suits and overcoats section of the industry, and also for women's coats and suits, are much higher and much more uniform than in our section of the garment industry. The hours reported are usually 44 or less, and only in very rare cases exceed 48 per week.

We believe that these differences in standards of wage rates and hours between different sections of the garment industry are very largely due to the longer history of collective bargaining in the coat and suit section, the greater degree of organization both on the part of the employees and of the employers, and the greater concentration in the two major markets of Toronto and Montreal.

Our union has made rapid progress in the past five years in the organization of the work clothing and utility garment industries, and had, we believe, a proud record of constructive achievement. But our industry is widely scattered, and it is a serious question whether, in the absence of national legislation establishing collective bargaining and minimum wage and hour standards, it will be possible to secure the necessary organization of the workers and of the employers in time to stabilize our industry before the onset of another depression.

The workers in this industry, as in many others, have vivid recollections of the chaos of the last depression period when cut-throat competition openly flourished at the expense of the earnings, working standards, and health and living conditions of the workers in the industry. Those conditions were fully exposed in the investigations of the Special Committee and the Royal Commission on Price Spreads in 1934, and need not be repeated here. A few random examples will serve to illustrate the extent of the chaos in the garment industries (the facts are taken from the Proceedings of the Special Committee). In one firm for example in the summer months of 1933, the percentage of experienced female employees earning less than the provincial minimum wage rate fell below 30 per cent in only one week and sometimes rose as high as 65-75 per cent (page 3029); in another firm, for the entire year of 1933, 45 per cent of the women pieceworkers working on garments fell below the minimum wage rate (page 3227). In these cases, special bonuses were paid to bring the required numbers up to the minimum rates. Other plants were reported with as many as 36 per cent and 37 per cent of the experienced females earning less than the provincial minimum rates (page 3731); with as many as 60 per cent of the male employees earning less than 10 cents per hour; with 70 per cent to 85 per cent of the male employees earning less than the smallest minimum wage rate for experienced females (page 3732). It was also established that, especially in the contract shops, both for men and girls the wages of more than one employee were included in the same pay envelope (page 3805). We believe that both the workers and the fair employers should be protected against any return of such conditions.

I may say here that our own organization during the depression period took a 36 per cent wage reduction. Out of every dollar turned in the worker had never received more than 64 cents. Toronto, and lately Brantford, are the only places where we have been successful in bringing the workers' earnings back

to the pre-depression period level. Very few employees earn 50 cents an hour or more. In Manitoba and Edmonton we are getting less than we received prior to the depression—Manitoba $4\frac{1}{2}$ cents and Edmonton $16\frac{1}{2}$ cents, never getting any wage increases as the result of the war or the rising cost of living. All they get is 60 cents in the form of cost-of-living bonus and $4\frac{1}{2}$ cents or $16\frac{1}{2}$ cents less for piece work. We have appeared before the Regional Board asking for the Brantford rate to be made up to the full union wage scale, but they cannot get it. We asked for 9 cents and they were paying 91 cents—that was to make up the even dollar; but they gave us 96 cents, which the firm was willing to pay. We applied to the Regional Board for their approval.

Mr. LALANDE: What is the pre-depression level?

Mr. LAPEDES: 1930. We took 36 cents wage reductions between 1931 and 1933 to maintain them in business, and they were to return that to us as soon as conditions changed. Conditions have changed but we have difficulty in getting that back because of competition.

In wartime the need is even more urgent. The fear of a return to the chaotic conditions just described—and the existence of sweat shop conditions even to-day in some plants—in itself undermines the morale of the workers, and makes labour-management co-operation to increase production very difficult. The minimum rate of 50 cents per hour proposed for experienced workers is by no means an adequate family wage. For male employees who are heads of families, it falls far short of the income necessary to maintain themselves and their families in the good health essential for efficient work, and the earnings of the unmarried sons and daughters are essential to make up family earnings sufficient to provide even the barest minimum living standards. With the working year in the garment industry considerably less than fifty-two weeks, annual earnings at the minimum rate per hour would be in the neighbourhood of only \$1,045. At the present tax rates for single persons the net income of \$850 which would be left after tax and compulsory saving is certainly not unduly high for single adult men or women living outside the family group, and is certainly a necessary income to attract the new women workers needed for wartime industry.

Moreover, it is well known that the younger men must often make some provision towards establishing a home, and that single men of all ages frequently have dependants to support. The obligations of women workers for the support of dependants are less generally recognized, but are no less urgent. The Women's Bureau of the United States Department of Labour, which has made extensive investigation, has come to the following conclusion:—

Whatever excuse there may have been in the past for the idea that women worked chiefly for pin money, to-day the wages of most women are as necessary as the wages of most men. Usually women must depend on their wages for their own support and often they are responsible as well for the entire or partial support of others. Because sons leave home more than daughters do, girls are more likely than boys to assume the financial responsibility of the home . . . The large number of women workers who are widowed or divorced (about 17 in every 100 employed women in 1930) and those separated from their husbands, legally or by desertion, are in many cases responsible for the support of their children. Of the married women workers living with their husbands, a not inconsiderable number are the major breadwinners of their households owing to the fact that their husbands are unemployed, many of them disabled for work . . . For that

group whose husbands are working, the wife's earnings are usually a very poor supplement to the family income and one that should not be necessary. It is unfortunate, but true, that in most cases these wives work because their husbands' wages are too low to shelter, feed, and clothe the family at a reasonable standard of decency. (From *Women at Work*, Bulletin No. 161 of the Women's Bureau, 1942.)

The cost of low wages to the community in terms of poor health and reduced efficiency in production is well known. The effect of low earnings can readily be seen in Canadian health statistics. A comparison between Quebec and Ontario, for example, shows in 1941:

Mr. LALANDE: Are these figures taken from the Dominion Bureau of Statistics reports?

Mr. LAPEDES: Yes.

	Quebec	Ontario
Percentage of families with incomes of \$950 or less.....	37·9%	26·8%
Infant mortality—rate per 1,000 births.....	76	46
Deaths of infants under one month—rate per 1,000 live births....	36	27
Maternal mortality—rates per 1,000 live births.....	4·3	3·0
Deaths from typhoid fever—per 100,000 population.....	3·1	0·6
Deaths from tuberculosis of respiratory system—per 100,000 popu- lation	65·3	25·6
Deaths from influenza—per 100,000 population.....	30·8	12·3

Mr. LALANDE: Have you filed a table of the comparative earnings by Quebec and Ontario?

Mr. LAPEDES: I believe you have it at the end.

Mr. COHEN: Your first line speaks of families with incomes of \$950 or less.

Mr. LAPEDES: Yes, I have the figures in the appendix.

A survey made in Toronto in 1939 comparing health conditions in the "most well-to-do" ward of the city with those in a "poor, slum" ward produced the following results:—

Mr. COHEN: I have to interrupt you again; I am sorry. What survey is that?

Mr. LAPEDES: I believe that is the Bruce Commission.

Mr. COHEN: Dr. Bruce.

Mr. LAPEDES:

	Well-to-do ward	Poor, slum ward
Death rate (per 1,000 population)	10·4	15·5
Tuberculosis death rate (per 100,000 population)	22·6	68·1
Communicable disease rate (per 100,000 population)	2·7	5·7
Infant death rate (per 1,000 live births)	26·6	58·4
Maternal death rate (per 1,000 live births)	5	8·6

Mr. COHEN: Which ward is the "well-to-do ward"?

Mr. LAPEDES: Rosedale, and the poor slum ward is the Moss Park district.

A dietary survey in Toronto about the same time revealed that 97 per cent of the members of families with incomes below \$1,000 per head were eating insufficient food.

Mr. COHEN: What survey is that?

Mr. LAPEDES: I believe that is the survey of the Family Welfare Council.

Mr. COHEN: Is that the 1939 survey?

Mr. LAPEDES: Yes.

Mr. LALANDE: That is the Toronto Welfare Council?

Mr. LAPEDES: Yes.

As a group, they were getting only 76.5 per cent of the calories necessary; 77 per cent of the protein, 69 per cent of the calcium, and 92 per cent of the iron necessary. Families with incomes of \$1,500 to \$2,400, on the other hand, were getting 93 per cent of the calories, 95 per cent of the protein, 116 per cent of the calcium, and 99 per cent of the iron necessary. In the Dominion Bureau of Statistics survey of family expenditures in 1938, it was found that the amount spent on food per person per day, and the amount spent on health services throughout the year rose steadily from the lower to the higher income groups.

In an industry employing a large proportion of women, low earnings coupled with long working hours and speed-up in order to make even this bare minimum wage, have especially serious implications for the whole community.

It will, we know, be argued that the increases in wage rates which we propose, are impossible because they will force up prices and lead to inflation. However, it must be agreed that the production of goods essential to the war effort as clothing for the armed forces and for the workers in factories and on farms must be maintained and expanded, and that the workers of the industry should receive wages adequate to maintain their health and efficiency, and to enable them to keep up their family life, and also to buy war bonds to help finance the war. The present-day war bond savings of the workers will help greatly after the war, as is agreed on all sides.

Contrary to general belief, direct labour costs in our industry are not high—salaries and wages together, account for about 25 per cent of the gross value of production in most branches of the industry. Therefore, we do not believe that upward adjustments of sub-standard wages in our industry would have much effect on prices from the point of view of labour costs.

Moreover, we are fully convinced that there are definite opportunities in our industry to increase production of essential clothing and, at the same time, to reduce unit labour costs. There are opportunities for improving efficiency in our industry through co-operation of the union, the managements and the government. There is ample scope for better planning throughout the industry.

But, we wish to emphasize again, these increases in production of essential commodities which lie well within our power, depend largely for their execution on co-operation between the workers and the employers both within each separate plant and throughout the industry as a whole. That co-operation, in turn, in our industry at least, and we believe in others as well, cannot be achieved without a frank and unreserved recognition of the workers' right to be represented by unions of their own free choice, and without the establishment of minimum wage and hour standards on a national basis.

To summarize, the United Garment Workers of America would suggest:

1. That a Federal Labour Code be enacted providing for the guaranteeing and legal protection of the workers' rights to organize into bona fide unions and to bargain collectively with their employers.

2. That the Government's Wartime Wages Control legislation be amended to permit the raising of sub-standard wage rates up to a minimum of 50 cents an hour, without the necessity of applying to a war labour board.

3. That the full cost-of-living bonus should be paid to every worker.

4. That in all government-owned or managed industries the workers should be granted vacations with pay. That federal legislation be enacted providing for vacations with pay generally.

5. That the administrative duties and personnel of the National and Regional War Labour Boards be expanded, in order to expeditiously deal with cases submitted by unions and managements.

6. That it be made mandatory that joint labour-management production committees be established in all war plants.

7. That representatives of organized labour be included in all War Boards.

We submit these proposals to the National War Labour Board's Public Inquiry with the primary purpose of trying to improve conditions in our industry, to bring greater stabilization into our industry, and to thereby increase the contribution that the workers and employers of our industry are making to the national war effort.

We are mindful of the harsh truth that the war is not yet won, and that the invasion of Europe and the battles to defeat Japan will demand greater effort and sacrifices from all Canadians. We, however, believe that the greater battles ahead will be better supported by our Canadian home front if there would be a more equitable sharing of the load and if labour were treated as a partner in the war.

Furthermore, such proposals as we make are, we submit, of vital importance for the post-war period after victory is won. The great task of guaranteeing that all the returning veterans and all the war workers be transferred to productive jobs after the war will demand continuing co-operation of labour, management and government.

We are convinced that out of this Public Inquiry, which has been enthusiastically supported by all labour unions, will come far-reaching proposals to strengthen Canada's war effort and the entire fabric of Canadian democracy.

We thank you for the privilege of placing our case before you, and assure you of our desire and intention to support the worthy work you have started.

Submitted on behalf of Canadian District Council, United Garment Workers of America.

The CHAIRMAN: Thank you, Mr. Papedes.

Adjournment until Thursday, June 17, at 10.30 a.m.

APPENDIX

TABLE I

Earnings and Hours in Men's Factory Clothing Industry, and Rank as Compared with Other Leading Canadian Industries.

Year	Average Annual Earnings		Average Weekly Earnings		Average Hourly Earnings		Average Hours Worked per wk.	
	Amount	Rank	Amount	Rank	Amount	Rank	Hours	Rank
Male Wage Earners—								
1934 . . . .	....	..	\$21.92	18	....	..	....	..
1936 . . . .	....	..	23.85	11	....	..	....	..
1938	985	23	17.70	26	43.9	23	44.9	10
1939	1,049	19	22.09	22	49.9	17	44.3	6
1940	1,199	21	25.82	18	57.1	11	45.2	5
Female Wage Earners—								
1934 . . . .	....	..	11.83	28	....	..	....	..
1936 . . . .	....	..	11.50	33	....	..	....	..
1938	599	21	11.98	28	27.0	27	44.2	21
1939	607	25	12.79	25	28.3	24	45.2	22
1940	626	26	13.47	22	29.0	19	46.5	16

From Dominion Bureau of Statistics: Data for 1934, 1939 and 1940 from *Weekly Earnings and Hours of Work of Male and Female Wage-Earners Employed in the Manufacturing Industries of Canada, 1940*; 1938 from *Canada Year Book, 1941*; and 1936 computed from *Weekly Earnings of Male and Female Wage Earners Employed in the Manufacturing Industries of Canada, 1934-1936*.

Rank as compared with other industries is computed separately for male and female employees—e.g., the average annual earnings for male employees in the men's clothing industry in 1938 were lower than those in 22 out of the 40 industries employing the largest number of male employees, and hours were longer than in 5 out of the 40 industries.

For 1934 and 1936 data is for one week in month of highest employment; for 1938 and 1939 for one week in month of normal employment, and not including overtime; for 1940 for one week in month of highest employment and including overtime.

TABLE II

Average Weekly Wages in Men's Factory Clothing Industry by Provinces

Year	Canada	Quebec	Ontario	Manitoba	Alberta	British Columbia
Male Wage Earners—						
1934	\$21.92	\$20.25	\$24.04	\$18.62	\$21.35	.....
1936	23.85	20.95	28.40	18.80	20.09	\$12.90
1938	19.70	20.33	19.22	18.45	19.40	18.53
1939	22.09	21.71	23.35	19.90	21.22	20.41
1940	25.82	23.99	29.12	20.56	28.00	20.77
Female Wage Earners—						
1934	11.83	10.81	13.14	11.66	15.12	.....
1936	11.50	11.90	12.54	12.59	13.46	15.24
1938	11.98	11.49	13.32	11.47	12.76	13.20
1939	12.79	12.35	13.61	13.06	14.74	15.32
1940	13.47	12.79	14.99	13.82	15.56	16.08

From Dominion Bureau of Statistics: Data for 1934, 1939 and 1940 from *Weekly Earnings and Hours of Work of Male and Female Wage-Earners Employed in the Manufacturing Industries of Canada, 1940*; 1938 from *Canada Year Book, 1941*; and 1936 computed from *Weekly Earnings of Male and Female Wage-Earners Employed in the Manufacturing Industries of Canada, 1934-36*.

For 1934 and 1936, data is for one week in month of highest employment; for 1938 and 1939 for one week in month of normal employment, and not including overtime; for 1940 for one week in month of highest employment and including overtime.

TABLE III

Average Weekly Earnings, Average Hours Worked and Numbers Employed in the Various Branches of the Men's Clothing Industry

	1939	Male 1940	1941	1939	Female 1940	1941
Average Weekly Earnings						
Men's clothing industry proper—						
Suits and overcoats.....	\$24.18	\$28.39	\$29.72	\$14.30	\$15.44	\$17.75
Trousers, separate garments	16.04	16.40	20.40	12.61	11.81	11.63
Windbreakers, work pants..	18.76	20.01	21.72	12.70	14.65	13.92
Overalls and work shirts ..	18.29	18.79	22.55	12.19	11.98	13.49
Fine shirts	17.96	19.81	20.50	11.87	11.62	12.30
Furnishings, other	19.80	22.35	23.52	11.44	12.88	14.80
Neckwear	18.36	19.44	23.39	12.30	13.78	13.47
Suspenders and garters....	14.14	17.47	15.53	11.89	14.93	14.80
Men's clothing contractors..	21.43	24.50	29.07	13.77	15.97	16.80
Regular Hours of Work per Week						
Men's clothing industry proper—						
Suits and overcoats	43.4	44.2	44.9	43.5	44.1	45.1
Trousers, separate garments	45.7	43.7	47.0	46.3	45.8	47.5
Windbreakers, work pants..	44.7	44.9	47.0	43.7	44.0	45.4
Overalls and work shirts ..	45.9	47.3	47.8	44.8	47.4	46.5
Fine shirts	47.7	50.8	49.0	47.5	49.7	48.5
Furnishings, other	46.6	50.1	46.2	46.0	48.9	45.2
Neckwear	46.4	47.1	46.2	45.8	45.8	46.1
Suspenders and garters....	44.9	50.3	48.4	43.7	51.4	48.4
Men's clothing contractors..	40.6	41.9	44.8	41.0	43.6	45.5
Employment						
Men's clothing industry proper—						
Suits and overcoats.....	4,455	5,264	5,313	4,114	5,417	5,950
Trousers, separate garments	385	353	397	651	618	958
Windbreakers, work pants..	199	333	331	446	876	1,093
Overalls and work shirts ..	636	678	833	3,072	3,965	3,867
Fine shirts	462	484	520	3,249	3,581	3,867
Furnishings, other	70	73	71	298	338	318
Neckwear	133	124	128	644	687	829
Suspenders and garters....	56	89	92	125	335	346
Men's clothing contractors.	903	720	669	1,195	1,191	910

Data from Dominion Bureau of Statistics Annual Reports on the Men's Clothing Industry. Earnings for 1939 were for one week in a month of normal employment and not including overtime; for 1940 and 1941 for one week in the month of highest employment and including overtime.

TABLE IV

Distribution of Weekly Earnings in the Men's Factory Clothing Industry, 1936.

Weekly Earnings	Canada	Quebec	Ontario	Manitoba	Alberta	British Columbia
Male Employees—						
Under \$10	800	552	196	27	5	7
\$10-\$14.99	865	501	269	54	12	15
\$15-\$19.99	954	551	312	53	4	7
\$20-\$24.99	936	475	399	44	7	1
\$25-\$29.99	839	410	393	19	8	..
Over \$30	1,648	582	1,024	26	5	..
	6,042	3,071	2,593	223	41	30
Female Employees—						
Under \$10	3,892	2,767	644	258	36	2
\$10-\$14.99	5,309	2,495	2,045	481	112	63
\$15-\$19.99	1,985	653	1,003	159	64	53
\$20-\$24.99	490	175	260	33	8	9
\$25-\$29.99	163	44	110	8	..	1
Over \$30	97	12	85	..	..	..
	11,936	6,146	4,165	939	220	128

From the Dominion Bureau of Statistics, *Weekly Earnings of Male and Female Wage Earners Employed in the Manufacturing Industries of Canada, 1934-36*. Total of "Men's Factory Clothing" and "Men's Furnishing Goods."

TABLE V

Average Annual Earnings of all Employees in Various Branches of the Men's Clothing Industry, 1941, by Cities.

Industry by Principal Cities	Average Annual Earnings of all Employees (salaried and wage earners, male and female)
Suits and overcoats—	
Toronto	\$1,425
Montreal	1,335
Hamilton	1,058
Quebec City	880
All other cities	1,013
Average	\$1,249
Trousers and separate garments—	
Toronto	918
Montreal	978
All other cities	653
Average	\$ 882
Windbreakers and work pants—	
Toronto	951
Montreal	931
Winnipeg	786
All other cities	727
Average	\$ 839
Overalls and work shirts—	
Toronto	926
Montreal	811
Winnipeg	822
Vancouver	854
Victoria	797
Rock Island, Que.	658
All other cities	770
Average	\$ 800

Fine shirts—	
Toronto	806
Montreal	818
Kitchener	969
All other cities	605
Average	\$ 789
Men's furnishing goods, other—	
Toronto	1,107
Montreal	920
All other cities	789
Average	\$1,015
Men's neckwear—	
Toronto	905
Montreal	858
All other cities	244
Average	\$ 881
Men's suspenders and garters—	
Toronto	1,109
Montreal	892
All other cities	548
Average	940

From Dominion Bureau of Statistics, *Report on the Men's Factory Clothing Industry in Canada, 1941*. General averages of this kind are greatly affected by the proportions of salaried employees (generally higher in larger firms) in relation to wage earners and the proportions of male employees in relation to female employees.

TABLE VI

Hours of Work per Week in Various Branches of Men's Clothing Industry, 1941.

Branch of industry—	Number working 48 hrs. or less	Number working over 48 hrs.	Per cent of total working over 48 hrs.
Male Wage Earners—			
Suits and overcoats	5,140	798	13.5%
Trousers and separate garments...	276	138	33.1%
Windbreakers and work pants.....	257	107	29.4%
Overalls and work shirts	489	272	35.1%
Fine shirts	301	224	46.0%
Furnishings, other	58	19	24.7%
Neckwear	119	28	18.4%
Suspenders and garters	84	10	10.6%
Whole industry, excluding suits and overcoats	1,584	798	34.0%
Female Wage Earners—			
Suits and overcoats	6,089	1,213	16.6%
Trousers and separate garments ..	560	556	49.0%
Windbreakers and work pants	957	251	23.3%
Overalls and work shirts	3,556	1,462	28.2%
Fine shirts	2,182	1,940	47.0%
Furnishings, other	290	100	25.6%
Neckwear	778	298	27.8%
Suspenders and garters	388	63	14.0%
Whole industry, excluding suits and overcoats	8,711	4,712	35.0%

Compiled from Dominion Bureau of Statistics *Report on the Men's Factory Clothing Industry in Canada, 1941*. Data is for one week in the month of highest employment, and includes overtime.

Pursuant to adjournment the hearing was resumed on Thursday, June 17, 1943, at 10.30 a.m.

The CHAIRMAN: Mr. Forsyth.

Mr. L. A. FORSYTH, K.C.: Mr. Chairman and members of the National War Labour Board:

At the outset of your inquiry I took occasion to compliment this Board upon the courage and upon the alacrity with which its members had undertaken an inquiry which presented an opportunity to accomplish much for the welfare of the country as a whole. At that time, I also assured the Board of the co-operation of the clients whom I represent and myself in this great undertaking.

May I pause there to say that I do not believe any very useful purpose would be served here by my placing upon the record the names of the persons whom I represent, because with their concurrence the views expressed in this brief are my own views.

The CHAIRMAN: Yes.

Mr. FORSYTH (reading):

Since that first day's hearing I have followed with intense interest the proceedings of the Board and the submissions made by various interests represented before it.

I have been struck, as no doubt the members of this Board have been, both by the extreme divergence in opinion put forward by some of those who have appeared before you and in no less degree by the community of thought evinced by many whose several points of view might, in the natural course of events, have been expected to be radically opposed upon the principles at stake.

However, save where criticism or contradiction is implicit in the affirmative expression of the thesis of my submission, it is not my purpose to controvert nor to criticize the assertions or arguments of those who have preceded me, but, with the utmost simplicity and brevity which I can employ upon a subject so involved and so immense, to put before this Board, the results of long and earnest, even though inadequate and incomplete, consideration of these problems as I see them.

It was my original intention—frustrated by the immensity of the task as well as by essential preoccupation with other matters—to have made a complete factual study of the numerous incidents which have in their total and in their increasing importance of impact on our industrial life so emphasized the acute and vital character of the problem created by our failure or our inability to meet disturbed and unsettled industrial relations with some more adequate formula than that of compromise and evasion.

Failing the complete factual background, which I still believe to be essential to a fully rational approach to these problems and their solution, I propose to examine the provisions of those documents which embody our so-called labour policy and by analysis of these documents and contrast of their content with the obvious conditions which confronted the framers of them, to extract the identify, if possible, the causes which have contributed to the far from satisfactory, not to say chaotic, state of industrial relations in Canada to-day.

I represent before this Board, among other employers, one of the largest single employers of labour in Canada. I refer to the Dominion Steel & Coal Corporation Limited. This company at its steel plant in Sydney employs some 6,000 persons; its affiliate company the Dominion Coal Company Limited has a payroll covering some 14,000 employees on the island of Cape Breton and the mainland of Nova Scotia. Other associated and subsidiary companies add to the numbers mentioned an additional total of 8,000 persons.

Naturally, to such an employer, any legislative or other effort which will avail towards the creation of harmony in and the removal of dissention from its relations with its employees is of supreme importance. Then too its long experience in dealing with labour organizations provides a fruitful field for study and exploration in the realm of collective bargaining, and an opportunity to test the theory by the results of its application.

It appears to be the view of many persons who have devoted care and thought to the problems now confronting this Board that the solution of them must inevitably be found in legislative measures. This view I do not share. It may well be that in the present crisis,—and I refer to the fact that we are now at war,—some blend of compromise and compulsion enacted by federal authority will afford a stop-gap which will enable industry and labour, at colossal expense to the taxpayer, to achieve a sufficient measure of apparent co-operation to allow essential war production to continue without undue interruption. And if that is the only method of overcoming the immediate difficulty perhaps the national emergency would justify it. The consequences of such action to our post-war industrial economy and our status as a trading nation to say nothing of the ultimate inevitable disastrous reaction upon the mass of industrial employees appears to make it highly desirable that purely temporary measures be avoided if such a course be possible.

I must state frankly that I am of opinion that a minimum of compulsion, and an absolute absence of compromise upon principle in legislation upon and administration of labour policy appear to me to offer greater chances of success in meeting the problems of employer and employee.

The CHAIRMAN: I take it you are putting the proposition that the present emergency may justify some compulsory measures by way of legislation, or order in council, or otherwise, in the field of collective bargaining and labour relations, but that your view is that perhaps with education gained along that line it would be better to let it go back into the position it is in England.

Mr. FORSYTH: That is exactly what I have in mind.

It is difficult to avoid the use of the cliché in any discussion of social and economic problems, and perhaps most difficult in discussion of labour matters with respect to which there appears to have been developed both a vocabulary and a phraseology calculated to obscure and to confuse rather than to clarify and to explain. While it will be my endeavour to state my propositions simply I will, I know, be pardoned if at times my pen or tongue slips into the jargon in which, very often, these matters are debated.

It would be no doubt heretical for me to assert in the face of historical incident that perhaps the major error into which we fall in dealing with the problem of industrial relations is to treat the problem as a wholly *social* rather than a wholly *economic* one. I am convinced, however, that if the problem be considered primarily as an economic one and dealt with upon that basis its social phases would rapidly find their own solution.

Mr. COHEN: Why necessarily so? Assuming there is a social as well as an economic phase of the whole question of labour relations and considerations arising out of wage problems, why ignore the social phase and take it for granted that the social implication will be fully dealt with?

Mr. FORSYTH: Perhaps, Mr. Cohen, I have not elaborated on that as much as I should have. I think perhaps your criticism is justified.

The CHAIRMAN: Just a question of emphasis, is it not?

Mr. FORSYTH: That may be so. What I have in mind is that the relation between employer and employee is a business relation, and that the social phases of that relationship are phases which have a large effect not only on the employer but on everybody else; so that there is no more reason for introducing between the employer and the employee a purely social phase with the view to creating a social system in one place than there is for introducing the same social system between the farmer and the cold storage man.

Mr. COHEN: Which has happened?

Mr. FORSYTH: I do not know.

Mr. COHEN: There is the realm of economy, plus the social phase.

Mr. FORSYTH: No, I think because there is a business phase, that is the one way to meet it.

The CHAIRMAN: I think because the social phase invaded the economic that may be the cause of failure.

Mr. COHEN: The term business is not necessarily something absolute, and it, in itself, can be subject to some sort of social influence. It may be we will look upon the things we now call business as social relations.

Mr. FORSYTH: That may be so, and there is a place for the study of that; but it is not in consideration of one set of factors in our national life, but rather these social phases are really phases of politics—I do not mean party politics—and they should be so considered in that light and not in the light of business. Perhaps that is another way to put it.

Canadian labour policy, as such, prior to the outbreak of the present war, was both scanty and nebulous although not altogether ineffective. From a legislative point of view it consisted of:

1. The Trade Union Act.
2. The Industrial Disputes Investigation Act.
3. The Fair Wages and Hours of Labour Act.
4. An Order in Council passed in 1934 under the Fair Wages and Hours of Labour Act to replace a previous Order passed in 1922.

Of these the Trade Union Act—a measure of more than dubious constitutional validity originally enacted in 1872—has played little or no part in trade union activity or regulation during the years that lie between its enactment and to-day. Discussions of its provisions would, I feel sure, serve no useful purpose here.

The Industrial Disputes Investigation Act, now the object of much criticism, has, to all intents and purposes, been not only the foundation but the entire edifice of Canadian labour policy since its enactment in 1907. At that time it undoubtedly represented a forward move in industrial relations; under its aegis there can be no question but that many disputes between employer and employee were brought to amicable settlement, which disputes, but for the intervention of this enactment, might well have eventuated in serious disorder.

This statute is essentially a medium providing machinery for voluntary mediation or conciliation of labour disputes. In its normal ambit unenlarged by the exercise of cabinet power under the War Measures Act, it is available only to those concerned with a rather limited field of industry, but by two Orders in Council, P.C. 3495 of November 7th, 1939, and P.C. 1708, of March 10th, 1941, a much wider range of industries was made subject to the provisions of the Act.

The Fair Wages and Hours of Labour Act, provides for payment of "fair and reasonable" wages for "fair and reasonable" hours of work on federal projects and projects assisted by funds from the federal treasury.

The general provisions of this statute have for many years been overborne by Orders-in-Council passed under its provisions fixing wage scales and hours of work.

This legislation also brings little to such an inquiry as this Board is now conducting, but its provisions and those of the Industrial Disputes Investigation Act accentuate by illustration the narrow limits of the area within which the parliament of Canada may in peacetime effectively deal with industrial problems.

For many years now the federal Department of Labour has existed as an integral part of our Civil Service, headed on the political side by a minister holding the labour portfolio alone. The activities of the Minister of Labour and his department have centered largely in the administration of the Industrial Disputes Investigation Act and the compilation and publication of statistical information with respect to cost of living and other matters more or less related to the problems of the Canadian wage earner, but the fact is that because of the limited jurisdiction of the federal authority in the field of labour relations the various provincial governments through their labour departments and under provincial legislation have in time of peace exercised a greater authority and played a relatively more important part in dealing with industrial relations.

It should also be said that, notwithstanding greatly increased industrial activity which came to pass during what may be called the first World War, Canada has been preponderantly an agricultural country whose industrial development has been, generally speaking, hesitant and spasmodic, localised largely in the provinces of Ontario and Quebec.

The position of the federal government was then that at the outbreak of war, it had no comprehensive labour policy, but did exercise a benevolent interest in labour matters within the limited sphere open to federal action under our constitution, as above indicated.

One cannot, however, enter upon the most casual survey of industrial relations in Canada with a view to the formulation of any plan for regulation or direction of them without keeping in constant view the fact that as it has been in the past so will it be in the future primarily the function and the duty of provincial authority to legislate with respect to the public aspects of these relations and to administer such legislation as may come into being.

Canada, after the declaration of war in 1939, entered upon a period of industrial expansion, due to the demands made upon her by Great Britain and other allied countries for supplies of war material, which certainly was unequalled by anything in this country's history, and perhaps relatively unparalleled in the history of any country. New factories, a new technique in manufacture, had to be built and to be

developed. Pressure for the utmost in production within the shortest possible time called for organization and direction of resources of material and of manpower to a degree unprecedented in our experience. It is no small wonder that both confusion and well-intentioned error attended the efforts of those in authority to meet the exigencies of the desperate situation in which we found ourselves.

With remarkable rapidity and in a fashion which does great credit to all concerned order developed from a condition which might well have remained chaotic and confused. Prompt and effective steps were taken to institute some measure of control of prices and to resist the inflationary tendencies attendant upon the pressure of wartime conditions. By severe taxation measures and a policy calculated to attract the maximum amount of the national savings to the support of the war effort the government endeavoured to eliminate the war profiteer and at the same time limit the internal competition of purchasing power and these measures and this policy, it is but fair to say, were reasonably well calculated to accomplish their objective.

May I pause here to observe that the measure of success which attended this financial effort to which I have referred was due largely I believe to the promptitude with which those charged with the administration of our national finances grappled with their problem and the fearless and at times ruthless methods with which the resultant policy was administered.

It soon became apparent, but perhaps not quite soon enough, to the administration that a policy which controlled the income and the ability to spend of certain groups of the population while leaving a large and rapidly increasing number of industrial workers subject to no control save that implicit in increased taxation required to be further extended, and the so-called "wage control" or "wage stabilization" policy was embarked upon.

Wage control in Canada like price control was imposed progressively, but the former, unlike the latter, preserved a more voluntary and flexible character which coupled with timidity of administration has in my judgment immeasurably weakened if not destroyed its efficacy, and has contributed directly to the unrest and disturbance resulting in the appointment of this Board and the present inquiry.

I do not know whether I make myself clear about that, but I thought the disturbance and unrest required some change in the situation.

The first step in the enunciation of a "labour" or a "wage control" policy is to be found in P.C. 2685, effective June 25th, 1940. This Order in Council followed a conference between certain labour leaders and representatives of the federal government held on June 13th, 1940. On the 18th of June, 1940, Mr. Mackenzie King announced to the House of Commons the result of this conference in these words,—

During the course of that conference there was a very free and frank discussion as to the conditions that should exist between employer and employee during the period of this war. An undertaking was given at that time by myself that these conditions would not merely be put in the form of a declaration by the government made to a representative group of labour organizations, but be drafted in a form which would find its expression in an Order in Council of the Government, and that that Order in Council would be published in the *Canada Gazette* and would be laid on the table of parliament. In order that an arrangement satisfactory to labour in that particular might be worked out, not by the government alone

but in conference with labour, I asked my colleague the Minister of Labour (Mr. McLarty) if he would, as he had been doing in the past, meet not merely a few labour advisers but that particular group of gentlemen or those of their number whom they wished to have represent them, and work out together what would be from their point of view a satisfactory basis for the relations that should exist between capital and labour, employer and employee, during the period of the war.

Now I should say at once and before any detailed description of or comment upon the content and import of the order which embodied the results of the conference that in my view a fundamental error was made when those responsible for that conference failed to ensure the attendance at it of employer representatives. There can be not the slightest doubt that there is no relationship in human affairs in which co-operation, confidence and goodwill are of more vital importance than that of industrial employer and employee, and similarly no other human relationship responds more quickly to the destructive factors of jealousy, suspicion and hostility which are so easily engendered by *ex parte* activities of the one side or the other in places where authority resides. These observations are not voiced as an accusation, but as a criticism having as its objective this suggestion which, I hope, is both sound and constructive, viz: that when matters of import upon labour policy are to be discussed and decisions taken in the future it will be highly desirable to remember that every problem of labour, whether organized or not, is inextricably involved with a problem of an employer and that the point of view of employers generally can probably be more adequately expressed and thoroughly appreciated if it be stated and discussed by and in the presence of some one undoubtedly competent to represent them. I realize, of course, that in matters of organization employers who are not or have not been to date in any sense an articular social or political group are necessarily more difficult to meet through actually authorized or even *de facto* representatives and that this is so is in my view a state of affairs which calls for instant action on their part.

My first proposition therefore is, that if for no other purpose than that of meeting with the representatives of organized labour and of government to assist in formulating labour policy, employers should at the earliest possible date develop an organization through which representatives competent to express the employers' point of view and attitude might be selected.

Mr. COHEN: If you were addressing that comment to labour, many people would class you as an agitator.

Mr. FORSYTH: I have no doubt of that. I am pleased to accept the accusation. We need a few agitators. We have supplied them by the addition of some quality and some quantity.

The CHAIRMAN: You think it is healthy to have some counter?

Mr. COHEN: I think it is rather important if that is the underlying sentiment. If the emphasis on employers organizing is to engage in encounters it is not going to make a constructive contribution.

Mr. FORSYTH: I will speak for the Chairman and myself in that particular matter. I think this, that one of the greater troubles that lie behind the problem of industrial relations is that it is referred to as a struggle between capital and labour, and it should not be a struggle at all. I do not speak of it as a fighting measure. I speak of it as an instrument which may be made useful towards securing co-operation. I believe that many individual employers

require the views of others. The number of employers who are not wholeheartedly devoted to the prosperity of the country as a whole, I think, is very small, and if that small number were brought into contact with the majority, they would learn a great deal from that meeting. It is a matter of education rather than a combat.

Mr. LALANDE: I think the experience of Great Britain establishes that conclusively.

Mr. FORSYTH: I think so, yes.

Secondly, I urge that if such policy is to be discussed, that the discussion should invariably take place under circumstances which afford both employer and employee representatives an opportunity to hear and to present their respective views and opinions.

As the Prime Minister pointed out P.C. 2685 was in its character declaratory and not compulsory; it was an invitation to parties of opposed interests to adopt voluntarily certain principles by which their relations with each other might be regulated and in addition a guide to those whose duty it might be to conciliate and reconcile those interests.

At the risk of unduly prolonging this submission, I propose to quote *literatim* the recitals and provisions of this Order because I believe that fundamentally its content and its import commend themselves favourably to the opinion of the public generally and because comment upon the observance or non-observance of the principles which it consecrates will be facilitated by the inclusion of the complete text of it in this submission.

It reads as follows:—

The Government has received from representative bodies of industry and of labour expressions of their desire to co-operate with the government in the present crisis to the end that the industrial capacity of Canada requisite to the successful prosecution of the war may be utilized to the fullest possible extent.

The establishment and maintenance of good relations between firms engaged in the execution of war contracts, and the production of necessary materials therefor and their workpeople is of the utmost importance at this time, and the same is true indeed of the operations of distributive agencies and services required to meet the needs of the civil population. In wartime the safety of the nation must be the first consideration of all patriotic citizens and no element in the community can be permitted to benefit from wartime necessities. The best interests of industry and labour are inseparable and since organized society alone makes possible industrial production to the mutual benefit of those engaged therein, the needs of the community at large, especially under war conditions, must be regarded as paramount.

The development of Canada's war effort has not been hampered to date by the occurrence of any serious labour troubles, and means have happily been found, through negotiation, conciliation and inquiry, of dealing effectively with any disputes as to wage rates and working hours which have arisen. While the causes of industrial unrest have not thus far arisen from the war they might well be accentuated by it. It is clear that any differences that might arise would extend beyond wage scales or hours of labour and include the right of association in labour bodies and the right of organized workpeople to enter into collective agreements through which they may be expected to exercise a more organic influence on the processes of industrial life; all of them aspirations which, under wise direction,

will make for the removal of prejudice and for fuller co-operation between employers and employed. Statutory provisions have been made since the outbreak of hostilities to obviate the making of undue profits on war work, and the operation of the Wartime Prices and Trade Board is designed to safeguard the interests of the consuming public against undue enhancement of the prices of the necessities of life.

The policy is re-affirmed which was previously announced by the Prime Minister of Canada, that the full weight of the government's power will be exerted to prevent the exploitation of wartime needs by any form of profiteering.

It would conduce to the removal of misunderstandings and to the extension of common interests and national purpose were a declaration to be made by the government at this time of certain principles for the regulations of labour conditions during the war, the acceptance of which by employers and workpeople would make for the avoidance of industrial strife and the utmost acceleration possible in the production which is so essential in present circumstances.

The Committee, on the recommendation of the Minister of Labour, advise, with respect to the foregoing, that the following principles for the avoidance of labour unrest during the war be approved:—

1. That every effort should be made to speed production by war industries;

2. That fair and reasonable standards of wages and working conditions should be recognized and that where any temporary adjustments in remuneration are made, due to war conditions, they might well be in the form of bonus payments;

3. That hours of work should not be unduly extended but that where increased output is desired it should be secured as far as practicable by the adoption of additional shifts throughout the week, experience during the last war having shown that an undue lengthening of working hours results in excessive fatigue and in a diminution of output;

4. That established safeguards and regulations for the protection of the health and safety of the workers should not be relaxed, but that every precaution should be taken to ensure safe and healthful conditions of work;

5. That there should be no interruption in productive or distributive operations on account of strikes or lockouts. Where any difference arises which cannot be settled by negotiation between the parties, assistance in effecting a settlement should be sought from the government conciliation services, and failing settlement of the difference in this manner, it should be dealt with in accordance with the provisions of the Industrial Disputes Investigation Act, which has been extended under the War Measures Act to apply specifically to all war work;

6. That employees should be free to organize in trade unions, free from any control by employers or their agents. In this connection, attention is directed to Section 11 of the provisions of Chapter 30, 3 George VI, an Act to Amend the Criminal Code, under which it is declared to be an offence, subject to prescribed penalties, for any employer or his agent wrongfully and without lawful authority to refuse to employ, or to dismiss from employment, any person because

of his membership in a lawful trade union, or to use intimidation to prevent a workman from belonging to a trade union, or to conspire with other employers to do either of such acts;

7. That employees, through the officers of their trade union or through other representatives chosen by them, should be free to negotiate with employers or the representatives of employers' associations concerning rates of pay, hours of labour and other working conditions, with a view to the conclusions of a collective agreement;

8. That every collective agreement should provide machinery for the settlement of disputes arising out of the agreement, and for its renewal or revision, and that, both parties should scrupulously observe the terms and conditions of any agreement into which they have entered;

9. That workers, in the exercise of their right to organize, should use neither coercion nor intimidation of any kind to influence any person to join their organization;

10. That any suspension which may be made of labour conditions established by law, agreement or usage, requisite to the speeding of wartime production, should be brought about by mutual agreement and should be understood as applying only for the period of emergency.

The Order, as the Prime Minister pointed out in the House of Commons, was the result of a conference between representatives of labour and of the government. The report of that conference in the *Labour Gazette* of June 1940 (page 530) is notable for the complete absence of any indication on the part of the government representatives that "wage control" formed any part of the anti-inflation policy of the government. This statement is, however, made in the report,

The Prime Minister, pointing out that it was a war for freedom, asserted that in so far as he had any voice the hard won freedom of labour would be maintained.

and again,—

The Prime Minister then stated that he was quite prepared to have an Order in Council issued setting forth the principles which should govern industrial relations in wartime "as an obligation which should be lived up to by all parties concerned."

Now I think it fair that the Order in question and those later Orders founded upon it should be regarded from the background of these observations by the person upon whom in the final analysis the responsibility for these decrees and the events which flowed from them must rest.

I agree also with another observation attributed to the Prime Minister in the report above quoted where it is said,—

He emphasized that it was better not to proceed by coercion if the results could be achieved otherwise.

Now after P.C. 2685 had been the chart of the voluntary navigators on the sea of industrial relations for a scant six months during which 93 strikes occurred in Canada causing a loss of 79,712 man working days, according to the statistical records published in the *Labour Gazette*, the federal government again endeavoured to deal legislatively with the question of industrial relations and on the 19th December, 1940, P.C. 7440 appeared.

Now although P.C. 2685 had by inference, at least, in clause 2 intimated that some limit to wage increases was desirable, it had been found that, at the close of the year 1940, the following conditions obtained,—

1. Average money wage rates were higher than they had ever been in Canadian history with the single exception of the year 1920. In that year wages were about 2 per cent higher and the cost of living was 50 per cent higher.

2. Wage rates were about 4 per cent higher than in 1929, although cost of living was 10 per cent lower.

3. Employment had reached an all-time peak, 23 per cent above 1929.

4. Higher wage rates and more employment with substantial over-time pay had brought the money earnings of wage earners to the highest level ever reached. Payrolls of March, 1940, exceed those of 1939 by about 54 per cent.

5. The cost of living, still much below the level of 1929, very much below that of 1920, had increased less than 10 per cent since the beginning of the war.

6. Real wages and real earnings—the things you can buy with the money in the pay envelope—were consequently at their all-time high.

Mr. COHEN: What is the suggestion, that it in some way ran counter to the principles enunciated in P.C. 2685?

Mr. FORSYTH: No. I develop that in a moment. I am now dealing with what happened when P.C. 7440 came in.

Mr. COHEN: You are tying it in with a reference to clause 2.

Mr. FORSYTH: I think you will see why I do that. I regard paragraph 2 of P.C. 2685 as the first authoritative suggestion from the government that wage increases are not allowed.

Mr. COHEN: That is the point I should like to make clear. As I read clause 2 it is not a point in that direction at all.

That fair and reasonable standards of wages and working conditions should be recognized and that where any temporary adjustments in remuneration are made, due to war conditions, they might well be in the form of bonus payments.

That contemplates two types of adjustment, one an absolute adjustment which would create a standard of wages that would be fair and reasonable; and another which would be temporary, would only apply where wages are fair and reasonable, and might well be made in the form of a bonus payment. Where is there any suggestion there of wage control?

Mr. FORSYTH: Is not that control nominally?

Mr. COHEN: If you pay some attention to statistical information, it suggests that a large section of the wage earners are paid a low standard compared with what can be considered fair and reasonable. How do you suggest control? You are rather suggesting holding the thing down, not improving it.

Mr. FORSYTH: I do not regard P.C. 2685 as any incentive to increased wages. I say it declared the policy of fair and reasonable wages, which nobody would quarrel with, and the fact that they talk about adjustment by bonus is the first intimation we have that wages should be controlled.

Mr. COHEN: That refers to temporary bonuses.

Mr. FORSYTH: To temporary adjustments due to war conditions. The war has lasted for over two years since P.C. 2685 was passed, and we are now in the third year.

The CHAIRMAN: I suppose everybody is entitled to his own interpretation.

Mr. FORSYTH: I lay more emphasis upon the fact of the conditions that prevailed when P.C. 7440 was passed; because it is my view, whether it commends itself to anybody else or not, that at the time that was passed the government had an opportunity to deal with wage control in a much more straightforward and unequivocal way than they did. I submit that a great deal of unrest and difficulty with labour might have been avoided by proper action at that time.

It could be and certainly was said in the columns of the *Labour Gazette* that on the average the wage earners of Canada, despite the heavy burden of taxation and of savings were better off than they had ever been before.

Under these circumstances P.C. 7440 came into being. This order has been the subject of varying interpretations and of some criticism. I think Mr. Cohen would agree with me. We varied on it at one time.

Mr. COHEN: You interpreted it; I criticized it.

The CHAIRMAN: I think, as a matter of fact, you both tried to interpret it, and I think I had the function of criticizing it.

Mr. FORSYTH (reading):

Of course neither the interpretations nor the criticisms require detailed examination now because P.C. 7440 like many other documents of its ilk is now a matter for the archives. One cannot, however, avoid mention of some of the obvious defects of this Order if one believes, as I do, that its omissions contributed largely to the situation which we now face.

The Order was, as members of this Board will remember, issued in an aura of publicity which intimated that by its provisions a ceiling was actually set on wages, and provision made for safeguarding the wage earning groups against increases in cost of living.

On the face of the Order, I submit that it does neither of these things. It purports only to be a guide to Conciliation Boards in carrying out their duties which of course are concerned only with disputes, and while it does, it is true, make it more or less imperative that such Boards deal with questions of wages and remuneration in accordance with the provisions of clauses 2-5 (inclusive) of the order, the field is still left open to employer and employee by mutual agreement by whatever means induced to puncture the putative ceiling, disregard the bonus provisions except in industries coming within the purview of the Industrial Disputes Investigation Act as extended by P.C. 3495. And even in these latter industries no restriction upon increases made otherwise than by a negotiated agreement appears, nor is any provision made for reducing increases granted in violation of the order, nor penalty provided for the breach of its provisions.

My first criticism of the Order is that it failed to take account of those industries in which, because of restrictions upon selling prices, employers were unable to compete for manpower in a runaway labour market with their competitors who were not thus hampered.

Secondly, I know that its lack of precision and of imperative direction afforded opportunities which were readily availed of for evasion of the principles which it purported to lay down. Certain employers of labour, whose industries were being utilized for the production of war material,

in which cost was necessarily subordinate to speedy delivery, bribed their labour force or placated them and defeated the Order by paying at the established rate for longer hours than those actually worked by the employees.

Mr. LALANDE: Is that the system that is called "bonus hours"?

Mr. FORSYTH: I really do not know what they call it. I never heard it described in a particular phrase. The matter came to my attention in a very direct way when I was conducting an investigation for the Department of Munitions and Supply, and it became necessary to call certain individuals to give evidence. The witness fees which they received were predicated on a day's pay. I asked each of these men what pay he was getting, and the men said 80 cents an hour. I said, "Eight hours at 80 cents, \$6.40"? and one man said, "I work eight; they pay me for ten or nine." I paid him and I punctured the ceiling myself.

Mr. COHEN: That is the reverse to the kick-back.

Mr. FORSYTH: Yes, that is the drop-kick.

The third matter and one to which I attach great importance is that this Order really inaugurated a mistaken policy which persists until the present day, namely, the intrusion into the relation between employer and employee of a variable factor of compensation—the cost-of-living bonus—having no relation to the fundamental economic relation of the parties. This payment has no relation direct or indirect either to the productive effort of the workman nor to the ability of his employer to pay it. However, as the multiple anomalies arising out of this policy will call for later discussion, I leave it for the moment.

The statistics furnished to your Board by the Labour Department indicate that while this Order in Council functioned under the benevolent shadow of P.C. 2685 a total of about 231 strikes occurred entailing the loss of 433,914 man working days.

P.C. 7440 with one amending order lasted from December of 1940 until October 27th, 1941, when it was replaced by P.C. 8253. This latter Order contains the elements of wage control coupled with mandatory provisions for payment of cost-of-living bonus.

The Order created a National War Labour Board to consist of a chairman and a membership representative of employers and of employees. The first chairman was Mr. Humphrey Mitchell now Minister of Labour for Canada. His colleagues on the board representing labour were all well known Trades Union officials.

The principal function of the Board was the administration of the Order which created it, and for this purpose an organization of Regional Boards (of provincial jurisdiction) was set up operating under the supervision and with the advice of the National Board.

P.C. 8253 was an important document in which words yielded some place to action. Its basic premises were founded upon the obvious economic necessity of dealing with wages as an inflation factor.

The Order laid it down as a matter of principle that basic wage scales were not to be increased without permission of the National Board, which incidentally later delegated its powers in this behalf to the Regional Boards.

The Order also indicated that wages considered by the Board to be unduly depressed might be ordered to be increased, while those considered unduly high were to be levelled out by deferment of cost-of-living bonus payments of which more must necessarily be said.

Upon the demonstrated theory that the operative price controls had not been completely successful in holding down the cost of living, provision was made to meet this increased cost by certain payments related to upward variations in the cost-of-living index subsequent to August, 1939,

In my own judgment the cost-of-living bonus so-called was wrongly conceived and inequitably applied, and has been a factor contributing largely to the dissatisfaction which is evidenced by employees in many industries in Canada.

In the first place such a payment clearly has no relation to the productive effort of the employee, it plays the same role in wage stabilization that subsidies play in price controls. In this latter field certain products can only reach the great bulk of the people at reasonable prices by the assistance of grants to producers or importers from the public treasury and at the expense of the taxpayers generally. In the field of wage stabilization it may well be that all industry could not expect to have the services of certain employees at the rate of wages which industry could afford to pay, and if such rates were inadequate to meet advances in the cost of living, it is, I think, reasonable enough to suggest that the taxpayers as a whole might be called upon in such event to bridge the gap between the wage return and the increase in cost of living.

My criticism of the principle adopted by P.C. 8253 and carried further by P.C. 5963 is that it really aggravates the disease which it purported to cure. One absolutely vital principle in any scheme to prevent war-time inflation must, it seems to me, lie in universal acceptance of the fact that no individual or group of individuals can be permitted to improve their standard of living through the profits of war-time activity, indeed some individuals must be compelled to reduce that standard.

In the campaign against inflation, the retail merchant and the processor and wholesaler were obliged in many instances not only to take less than a reasonable profit but to support substantial losses in certain lines as a contribution to the national economic welfare. To such an extent was this policy carried that subsidies, in themselves a measure of inflation, were considered to be a necessary measure to bring supplies from the producer to the consumer. But not all commodities were subsidized, nor were the subsidies so arranged as to constitute a matter of contention and dispute between producer, middleman and retailer. Nor was the retailer called upon to pay the subsidy to the wholesaler from his fixed price, nor the wholesaler to the producer or importer.

How different the situation was when governmental authority dealt with labour. The cost of living bonus is not wages, it is, in fact a subsidy paid to the individual workman to enable him to meet the progressive increases in living costs, so that the price of the commodity which he sells—his services—which price in theory is fixed, shall be so augmented as to enable him to carry on and fulfil his function as a unit in the national economy.

Why should every individual workman be subsidized? And why should the subsidy be to all intents and purposes identical for each individual regardless of the relative impact of the cost of living increase upon his purse or perhaps better said upon his personal budget? Why should the employer, whose return for his production in a fixed-price market reflects no augmentation in any way related to a rising cost of living index, pay the subsidy?

In the detail of the provisions of the Order relating to these payments is to be found further food for thought. Speaking in a most general way the Order contemplated that any increase in wage rates between October of 1939 and the effective date of the Order would absorb the increase in

cost of living for the period prior to such increase, so that it not only could but did happen under the provisions of that order that one employer whose common labour was receiving 43½ cents per hour in October, 1939, was paying \$4.25 cost of living bonus in 1943, while similar employees of his competitor, whose wage had between October 1st, 1939, and the effective date of the order been increased to 45 cents per hour, were receiving only \$2.40 per week cost of living bonus, making the total return of the latter for one week's work \$1.20 less than the employee of the first-mentioned industry.

In such a situation it is conceivable though improbable that those who devised the formula and the method of its application, if they had also assumed the responsibility of dealing directly with the recipients might have convinced them that the scheme was sound and reasonable. They would, in any event, had they not made the employers the instruments of payment, have excluded argument and dissension, with respect to this item, at least, from the field of employer-employee relations, in which it obviously had no place, a field too in which sufficient causes for contention apparently exist.

Again in fixing the date of the last increase in wages subsequent to October, 1939, as the point from which forward increases in cost of living would be compensable by bonus payments no distinction was made between increases made to rectify unduly depressed or unfair scales of wages and voluntary bonuses granted by employers to meet rising living costs.

The CHAIRMAN: Have you any comment to make on the provisions of P.C. 5963 to which you refer, where the question comes up of the ability of the employer to pay a bonus?

Mr. FORSYTH: I am very glad you mentioned that, because when I was preparing—

Mr. COHEN: You deal with it in the next paragraph.

Mr. FORSYTH: I did not comment on that particular feature of the Order. If I may say so, it was rather ridiculous that a person working for an employer whose finances would not justify the payment of the bonus could just get along in the best way he could. In dealing with the wartime situation when one employer can take from his excess profits taxes enough to pay a bonus, and the other employer cannot, then the employee is not being equitably dealt with. After all, the cost of living bonus was to apply against the increased cost of living, which is the same for both employees.

Mr. COHEN: It is a social question.

Mr. FORSYTH: It is an economic question, too. I cannot imagine anything more economic than the presence or absence of the beefsteak on the plate.

Mr. COHEN: You can say that about anything. If the employer is unable to pay his employee sufficient to keep him living on a decent standard, there is no justification for that employee having to live on a lower standard.

Mr. FORSYTH: You are carrying me farther than I have gone yet. I have a special item on the government policy which was to forward wage stabilization. I think it was intended for that. I think it was realized that wage stabilization in an anti-inflation measure might involve some hardship.

The CHAIRMAN: It should have taken the form of subsidy?

Mr. FORSYTH: Yes, that is what I say. I believe I make my position clear as I go along. I do not want to be carried any further into the social realm at this moment than I am already.

Mr. CHAIRMAN: You will probably have a chance to get there.

Mr. COHEN: You probably put yourself on the spot in that statement.

Mr. FORSYTH: That may be so.

It is my submission that wage control like price control was and is an integral component of the wartime policy of combating inflation; that, therefore, the administration of that policy was a matter which should have been and now should be placed under the same administrative unit as is charged with control of prices; that any subsidy to workers found to be really necessary to preserve the efficacy of counter-inflation measures should be paid by the taxpayers generally through the medium of the federal treasury, and not by the employer, who, as such, should have no voice in determining either the amount of the subsidy nor the identity of those to receive it, and should likewise have no responsibility vis-a-vis his employees with respect to any feature of it. I also hold the view that the necessity for such payments, the destination and the quantum of them should be left to the determination of those who have decided like matters with respect to commodity subsidies, and have shown themselves reasonably well able to resist the assaults of pressure groups and to allay the fears of those apparently more vulnerable to such attack.

These criticisms and these suggestions will not, I hope, lead this Board or anyone else to the belief that either I or those for whom I speak to-day contend that those whose labour is the cornerstone or, better said, the foundation of our industrial war effort should be less than justly treated or should be called upon for greater sacrifices than are demanded of the nation as a whole in the drive for victory. But I believe that times like these call for plain and open speaking and for the exposure of weakness where we see it.

The National Board and Regional Boards in the original concept of them were, I should think, set up to protect individual workers or groups of workers against the possible injustice of too rigid and inflexible an interpretation of the policy which they were to administer in part at least.

Now it undoubtedly was the thought behind P.C. 8253 that wage rates would not be increased save for very special reasons, and among those reasons, as I see it, the paramount one was relief against depressed or unfair rates.

In the result, and this perhaps lies in faulty administration rather than in inherent weakness in the policy as declared, no wage rate really was immune from tinkering and tampering. Many employers were in the excess profits tax bracket, and, therefore, any increase in wages granted by them with the sanction of the Regional Board operated not in reduction of their profits but of their taxes, small wonder that they purchased a reputation for generosity or bought their peace at a price which cost them nothing. I shall not weary the Board with quotations from statistics already before them, but I do suggest that the record of proceedings for approval of wage increases before the Regional Boards and particularly of those apparently initiated solely by employers is illuminating.

Here again was a cause of discord and dispute. In one industry the employer had the resources of large excess profits taxes and was willing to spend them, in another the employer was not so fortunately placed or if he was, believed perhaps in his duty to assist the effort to control inflation. The former approached his Regional Board with an application to increase his wages, it was granted. Employees in the other industry becoming aware of the decision of the Board, requested like action from their employer who refused. Bad blood, accusations of exploitation, discrimination and injustice were natural, of if unnatural, at any rate actual consequences of such happenings.

The employer refused to go to the Board. The employees went on their own, the employer opposed their application invoking the provisions of the wage control order. The Board refused the application. Again dissatisfaction, discord, and dispute.

Mr. COHEN: I am unable to follow you when you say that in one industry something prevailed and in another something else. Are you talking about a plant within a given industry?

Mr. FORSYTH: Yes, a plant within an industry, and also in a given industry. I have in mind a situation that arose in two units of the paper industry twenty-five or thirty miles from Montreal.

Mr. COHEN: Referring to a situation where the Regional Board refused an application when the same board had approved a similar application from the same industry.

The CHAIRMAN: That is what you are complaining about?

Mr. FORSYTH: That is what I say. It is faulty administration.

Mr. COHEN: That is what I want to know. Do you know it has been done?

Mr. FORSYTH: Yes. I know it has been done.

It is the fact and notoriously so that in many instances strikes occurred in which the only matter of contention was a decision of a Regional Board adverse to an employee's application.

This Board has before it the record of wage disputes and of strikes resulting from them since October 27th, 1941, and I challenge contradiction when I state that the increase in such unhappy events over preceding years, for few if any of the strikes on wage disputes were recurrent in industries in which they had occurred previously, was directly traceable to the fact that P.C. 8253 held the door open to demands for increased remuneration and permitted not only the entertainment of high hopes but gave colour if not encouragement to promises of larger pay as a result of approaches to the various Regional Boards.

The plain fact of the matter is that the "wage control" and "wage stabilization" policy neither controlled nor stabilized for the reasons that have been mentioned among others, and also because that policy was deliberately allowed from the outset to remain partially within the realm of collective bargaining, where in normal times of course it would and should be.

After P.C. 2685 had conveyed to employees the views of the government,—with which I have no violent quarrel,—upon the rights of labour and the duties of employers with respect to collective bargaining, the influence of wages on the inflation front became the object of the government's attention.

Now when price control was at stake no one seemed to think it necessary to preserve the ancient right of negotiation, chaffer, bargain or barter which individuals in this country and in other free countries have enjoyed from time immemorial; arbitrary decisions were made and ruthlessly enforced, because common sense and the objective at stake dictated the employment of such methods.

Not so with wage control. P.C. 7440 has as one of its premises,—“(b) That, if the government through an extension of the principles of the Fair Wages Act were to attempt to determine wage rates and other working conditions in all those industries engaged in war work, innumerable arbitrary decisions would be involved and the institutions and practices of collective bargaining to which it is the declared policy of the government to assure freedom (P.C. 2685, June 19, 1940) would be rendered superfluous and labour organizations deprived of their legitimate functions;”

My comment on that recital is,—

First, wage rates directly bore on the question of inflation; working conditions did not.

Second, the government knew or should have known that sooner or later, and sooner rather than later, if the anti-inflation policy were to be successfully prosecuted, a ceiling would have to be put on wages.

Third, it was also clearly apparent or should have been, that to leave the fixing of that ceiling to the institutions and practices of collective bargaining between employers with a cushion of excess profits taxes which they had no incentive to retain, and the representatives of trade unions confronted with the greatest agglomeration of artisan employees in the history of the country was in effect to say the sky's the ceiling, if one may venture to be jocose on such a serious subject and before this tribunal.

Whether or not my criticism be justified, the fact remains that neither by the institutions and practices of collective bargaining nor by the exercise of the legitimate functions of labour organizations have we obtained either wage control or wage stabilization. No one could have reasonably hoped by that means to do so.

Mr. COHEN: There has been some reference to the example in Great Britain. Have you any explanation for the fact that despite the absence there of any legislation by way of wage control, and their active encouragement of the processes of free collective bargaining, there has been no inflationary development?

Mr. FORSYTH: I do not know that I can concede there has been no inflationary development.

Mr. COHEN: There has been no more than we have with control.

Mr. FORSYTH: Perhaps that is so. I would take your statement about that. I think the real reason for it lies in the fact that trade unions and employers in England have been dealing with the thing in a business way, and know what they are doing.

Mr. COHEN: That is, the collective bargaining is having its effect.

Mr. FORSYTH: We believe in what they are doing.

The CHAIRMAN: And the bombs, too, I take it.

Mr. FORSYTH: That has something to do with it. Of course, Mr. Cohen, nobody can overlook the fact that in Canada we have not had the experience in collective bargaining, either as employers or as trade unions, which they have had in England. You say I criticize some of the activities of trade unions in this country. I do, because I think somebody has to do it, but I have nothing against trade unions or collective bargaining. I say that in England to-day the tactics taken by trade unions and by the employers would not be tolerated in Canada.

Mr. COHEN: What tactics are you speaking of?

Mr. FORSYTH: I mention them as I go along.

Mr. COHEN: If you are speaking of strikes—they have their share of them.

Mr. FORSYTH: I discuss those later. What I say is that in this country the geographical situation operates to the disadvantage of good industrial relations, because they flow in some measure from public opinion. It is pretty hard to get concrete or solidified public opinion in a country where we are so widely separated. Events that take place in Vancouver do not have the effect in Halifax that something which takes place in Glasgow has in London.

Mr. COHEN: We heard something about the rest period in Vancouver.

Mr. FORSYTH: I am not saying you do not hear about them. That is, however, a very good illustration. From the press reports the information I

had about that rest matter led me to form a certain conclusion. I happened to come to Ottawa and meet a gentleman from Vancouver who, if I am not mistaken, was connected with the Department of Labour in British Columbia, and he had formed a quite different opinion about that dispute from the one I had. We were both approaching it objectively, but my information was different from his.

Nor has the desired end been accomplished by the later more direct and less naive and ingenuous declarations of P.U. 8253 with respect to limitation on wage increases, for even now there apparently is in course of agitation and organization another "spontaneous" strike, against a ceiling fixed first by an agreement collective in its essential nature as to both parties to it, and later further elevated by the action of this Board.

Surely the time has come when we must realize, and having realized it, state in terms of absolute certainty,—in time of war all of us must abdicate certain rights in the national interest; the member of the armed forces abdicates the right of life itself, the merchant, the manufacturer, the producer abdicate their right to bargain with those to whom they sell, who in turn pay a price imposed upon them *nolens volens*; labour too must abdicate the right to bargain for its wage rates and accept such as are fixed by those who direct our national economy in the interest of the preservation of that economy and of the ultimate safety and security of us all.

The divorcement of wages and their fixation from the rites and usages or institutions and practices of collective bargaining does not mean the extinction or impairment of them, nor does it in any sense deprive labour organizations of their legitimate functions, although the isolation of wage rates from the subjects normally open for discussion between employer and employee necessarily narrows the field of negotiations and definitely limits the appeal of the trade union for organization purposes.

As I see it, and this perhaps involves a repetition for which I owe an apology, this Board came into being because a war exists, and though it may happen that when the cause for its creation ceases to exist, the institution will have so demonstrated its necessity as an adjunct of the national organization that it will, from that necessity, be continued, the "institutions and practices" of democracy are, in my experience, such that, regardless of the utility in later days of an instrument devised to meet the exigencies of a particular antecedent situation, it is not uncommon to find that the slate is wiped clean and a new program inaugurated when the crisis of the particular situation has passed.

This Board is the creature of a government which holds a mandate, which, regardless of its duration, justifies it in the adoption of any measures deemed requisite to the successful prosecution and accomplishment of Canada's obligation as a participant in the present war. It has received no mandate or authority to revamp our social system nor to delimit or define the brave new world for which this war "to preserve the ideals and institutions of a free people" is being waged, if we are to accept the views that are promulgated in some authoritative quarters.

That being so, and I fear that for this statement I may be accused not only of a reactionary but of a retrograde attitude, I feel that in the consideration of the problems now before it, the Board should first direct its attention to the recommendation to the government of such immediate measures as will lend greatest assistance to an efficient and unimpeded war effort on the part of industry and labour, keeping, however, always in mind the fact that, in so delicate a relationship as exists

between these two elements in our social chemistry, the inevitable withdrawal in days to come of concessions made upon the basis of to-day's extremity will operate to retard rather than to advance progress toward ultimate mutual understanding.

As a first step then I recommend to the Board that there be acceptance of this principle—that the relations of labour and of industry in time of war divide themselves into two distant phases, first the financial or economic, and second, the quasi-social or personal.

The first phase, I have dealt with. It includes questions of wage rates and subsidies or bonuses. These questions, interwoven as they are with the fabric of national economy, commodity price control, currency inflation and its prevention should, in my view, so long as we are at war, be treated as separate and apart from such matters as collective bargaining, hours of work, overtime, safety measures, the right to organize, union recognition, joint production committees and the like.

Wage rates in excess of 50 cents per hour should be definitely and finally "frozen" beyond hope or expectation of either increase or diminution for the duration of the war. And this "freezing" should operate, whether or not the wage rate affected is part of a scale or range of rates in a particular industry which would, in normal times, reflect differentials from the basic or cellar rate in that scale or range; so that rates above the 50 cent rate would not be affected by variation in those below it.

Adjustment of rates below the 50 cent level should be dealt with by the National War Labour Board upon the same principles as would be applied as if no war existed, viz.: due consideration should be given to the type of industry, local conditions, ability of industry to pay, the skill or lack of skill of the employee and the value of his service to the industry.

Mr. LALANDE: Why cannot the adjustment of rates below the 50 cent level be left to the practice of bargaining?

Mr. FORSYTH: I do not know why they cannot, except that my next proposition involves dealing with the cost of living in an official way by an agency of the government. I would feel that the government authority dealing with the cost of living would want to know that the employee whom I propose to subsidize was receiving from his employment all that he should get. I might qualify my statement by saying that it could be left to the field of collective bargaining, subject to the control of a Board like this. That I refer to later in the matter of conciliation.

Mr. COHEN: Would you mind clearing something up for me before you go on? Having regard to the paragraph you have read, go back with me to page 1139, the last four or five lines of the fourth paragraph on that page—"Labour too must abdicate the right to bargain for its wage rates and accept such as are fixed by those who direct our national economy."

Mr. FORSYTH: Yes.

Mr. COHEN: First of all, who are those who direct our national economy?

Mr. FORSYTH: Do you not know?

Mr. COHEN: You tell me.

Mr. FORSYTH: I mean the Wartime Prices and Trade Board and allied officialdom.

Mr. COHEN: You go on to suggest that "wage rates in excess of 50 cents per hour should be definitely and finally 'frozen' beyond hope or expectation of either increase or diminution for the duration of the war."

Mr. FORSYTH: That is my opinion. People who direct the national economy may not agree with it.

Mr. COHEN: When are they going to deal with it?

Mr. FORSYTH: They have dealt with it already in P.C. 5963 and P.C. 8253. Somebody has suggested that wages should be frozen, and I rather suspect it came from quarters which have to do with the preservation of the national economy.

The CHAIRMAN: At any rate what you mean is the Governor in Council?

Mr. FORSYTH: Yes. Mr. Cohen occasionally catches a rhetorical phrase and carries it a little farther than he needs to go. What I was really stressing in that phrase about abdication was that control of wages is against collective bargaining, if that is to be accepted in wartime. I am not suggesting the employer should have the right to control them.

Mr. COHEN: I perhaps have not made myself clear. It appears there is an inconsistency in what you say on page 1139 with regard to labour abdicating the right to bargain. You meant the Wartime Prices and Trade Board?

Mr. FORSYTH: I meant the Governor in Council.

Mr. COHEN: Later on page 1140 you go on to deal with wages in a specific way, and say that those over 50 cents should be frozen absolutely.

Mr. FORSYTH: To make it very clear, I say this. For the Governor in Council to control wages is against collective bargaining, and my recommendation is that they freeze—

Mr. COHEN: All wages above 50 cents.

Mr. FORSYTH: Yes; that makes the position clear. That is what I mean. I hope I escape the inconsistency.

Cost of living as a factor in the life of the wage earner should be dealt with by the administrative body charged with economic controls, and upon the same principles as are recognized in commodity subsidies. Cost-of-living bonuses should be graduated, the largest amounts being paid where the greatest need is demonstrated, and a level of earnings established beyond which no bonus would be paid. The bonus should be paid not by the employer but by the nation.

Coupled with this "wage stabilization" and "cost-of-living *subsidy*" policy there should be a campaign of information publicity for the purpose of fully instructing wage earners as to the meaning and dangers of inflation and the essential patriotism of sacrifice to prevent it; and this campaign should also include a frank exposé of the make-up of the cost-of-living index and its relation to the family or personal budget.

Such a policy, or such policies, obviously eliminate the strike or lockout resulting from wage disputes from the field of labour relations. Such action being precluded by the law, it follows that those who violate that law should be subjected to penalties no less drastic and condign than those which follow infractions of the proscriptions in the field of other economic controls.

The last suggestion is not advanced in the belief that any labour problem can be solved by coercion or compulsion alone, but because I believe that on the economic side no individual or group of individuals should, in wartime, be permitted to set their will up against that of the nation, and in this respect I cannot appreciate any distinction between the artisan and the corner grocer, the labour union and the chain store operator.

The problems created by the social aspects, and I so term them for want of more exact language, of industrial relations are really more

difficult to deal with, and the difficulty in dealing with them is accentuated by the very fact which renders less difficult the wage and subsidy question—the state of war.

As I mentioned previously, this Board, by reason of the war, exists and has to do with matters which in peace time are primarily of provincial concern from a constitutional point of view. Principles now laid down or recommended for acceptance by this Board may find scant place in the program or programs developed by the various provincial authorities when peace releases them from the federal thrall of the "War Measures Act" but ill-considered and hasty acceptance of new social doctrines under the pretext of expediency in war-time can create a situation against which the post-war reaction may be not only acute but violent, so that the counsel of caution in that direction may be prudent.

In P.C. 2685 the government laid down a program for voluntary acceptance by industry and labour, which in its essence could not be deemed objectionable, and which, if accepted in good faith by all concerned, would represent a definite advance in industrial relations.

This program has not met with such acceptance, and harmony and peace in industrial relations seem now more remote than when that Order in Council was passed.

Both employers and employees or the organizations which represent many of the latter must bear their respective shares in the blame for this result. And here again conditions due to the state of war have exerted a baleful and disturbing influence.

Labour, as its trade union leaders proclaim, wishes to be regarded or be dealt with as a partner in industry. Personally, I do not accept the thesis that a true analogy exists between the most co-operative attitude of management and labour and partnership. In the first place, partnership presupposes the free engagement of the partners, as such, and their respective rights to withdraw from the association, it is predicated also upon mutual sharing of the losses as well as enjoyment of the profits of the enterprise.

The relations of industry and labour are, I submit, unique and incapable of comparison with other forms of association known to our present order. That these relations can and should be improved from their present status admits of no doubt.

The statement of the desirability of the end does not, unfortunately, provide the means of its attainment. However, as a general proposition, I advance the view that the answer to the problem lies in good-will rather than in legislation and in the engendering, by education, of a spirit of dignified co-operation rather than in the compulsion and coercion of penal statutes directed against either protagonist in what has often been termed "the struggle between capital and labour."

Discussion of the social, and perhaps political, phases of industrial relations should, I feel, open by consideration of what it is that labour seeks and why it does not find it, or what it is that labour wants, how much of what it wants it should have, and why it does not get it.

Perhaps some dissection of P.C. 2685 will assist in such discussion.

In section 6 of that order approval is given to freedom of employees to organize in trade unions, and attention is called to the provisions of the Criminal Law which visit penalties upon employers who discriminate against trade union members, or, by intimidation, endeavour to prevent workmen from joining such associations.

In section 7 the principle of collective negotiations and agreement are endorsed, and in section 8 the necessity for scrupulous adherence to such agreements, when concluded, is emphasized.

Section 9 expresses disapprobation of practices of coercion and intimidation in recruiting membership in labour organizations.

Now I am frank to state that I believe that any workman should have the right to associate himself with a trade union and through that union endeavour, by any lawful means, to improve the conditions under which he participates in the operations of the employer by whom he is engaged. I also agree that in the conduct of negotiations with his employer he is entitled to the best advice and assistance which it lies within his power to command. I further say that as a matter of theory, at least, he might expect to receive that advice and assistance in more effective and ample measure from persons as experienced in negotiations of the kind as the leaders of trade unions ought to be and in practice, in many instances, no doubt he does.

Employers generally, it is my experience, do not object to the existence of trade unions in their industries, nor to collective bargaining upon principle. Many of them, however, who have had actual experience with trade unions, or have had an opportunity to observe them in operation elsewhere, display stubborn resistance to dealing with them.

Some of this resistance stems, no doubt, from a conservative, not to say reactionary, point of view or state of mind. But it can, I think, be said that the trade unions themselves, through faulty leadership, have created and nurtured many of the prejudices from which their cause undoubtedly suffers to-day.

For myself, I firmly believe in the right and duty of employees to organize for their mutual advantage and protection, but I cannot concede the right unaccompanied by the obligations which it entails, and if I may say so, in a spirit of wholly constructive but candid criticism, I do not believe that trade unions in this country, as a general rule, enjoy a clear concept of the obligations. If they understand them they do not accept and meet them.

A trade union does not, I hold, exist solely as the instrument of exercise of the coercive power of the combined economic strength of its individual members, although at times, and very properly so, it fulfils and should fulfil that function. It has other roles to play upon the stage of industry. Perhaps its most important function lies in the field of collective bargaining and negotiation.

Testimony before the Supreme Court of the United States in *Inland Steel vs. S.W.O.C.* contains a definition of collective bargaining,—viz.:—

Collective bargaining is a process through which employers and organized employees determine conditions of employment and create machinery for the amicable and business-like conduct of labour relations. Like all forms of free bargaining it presupposes negotiation in good faith. The terms agreed upon are usually the result of a give and take attitude based upon a desire to arrive at a settlement. A mere perfunctory meeting of both sides is not collective bargaining. Meeting to discuss grievances, no matter how important, is not the prime characteristic of collective bargaining. The fundamental purpose of collective bargaining is to establish a businesslike understanding between the two sides for the determination of conditions of employment and the creation of a procedural machinery through which the two parties can function on an orderly and amicable basis. The consummation of collective bargaining is a written trade agreement embodying the terms agreed upon thereby indicating a state of mutual confidence and goodwill.

Now, accepting that definition, is it reasonable to hope to arrive at "a state of mutual confidence and goodwill" if one of the parties to the negotiations obtains his mandate to conduct them by imputing bad faith, improper motives and injustice to the other party? It is a common if not invariable practice in the recruiting of original membership in trade unions, or organizing the employees as it is called, to charge the employer with unfairness, undue greed, exploitation of his labour force or any other impropriety calculated to engender hostility and suspicion and promote a cleavage of interest between him and his employees. These tactics are believed, I suppose, to be essential in arousing interest in the organization and to demonstrate to the employee the need of an organization to protect his rights.

I have under my eye to-day a case in which an employer who, having been informed that his employees were being or had been organized by one of our larger trade unions, was asked to enter upon negotiations for a trade agreement. He informed the union representative that he had no objection to the organization or indeed to the negotiations but wished to assure himself that the organization really represented a substantial number of his employees. While he was consulting with officials of the Labour Department with respect to the taking of a vote, quite voluntarily, he received a most abusive letter containing accusations of unfairness and lack of patriotism, and bulletins of a highly defamatory character were circulated among his working force in which, apart from the libels, he was accused of having refused to deal with the union. In my experience this incident is not unique.

Persistence in the use of such a technique seems difficult to curb or cure by legislation. But if the technique persists, then just so long as it does, labour organizations will meet employer opposition based upon the very hostility that the leaders of the union deliberately create.

My thought is that trade unions should bring to collective bargaining not only the very proper determination to accomplish the very best that the circumstances will justify on behalf of those they represent, but a lively sense of the part that as leaders of the workers they must play in interpreting to the workers on the one hand, and the employer on the other, points of view which though necessarily opposed in some particulars are not irreconcilable. They should make a determined effort, and in this way they should and must have co-operation from the employer, to become familiar with the peculiar conditions which the given industry presents.

The employer who accepts the principle of collective bargaining and is dealing with a trade union or other association of employees is, I think, entitled to more than an argument about the wage rates to be paid, and more than the submission to him during periodical negotiations of a stereotyped but none the less useful form of contract, with its provisions for working conditions and the solution of grievances. He is entitled to the assurance not only in word but by deed that the organization which has accepted the responsibility of representing his employees has welded them into a cohesive unit not only for pressure purposes, but for purposes of discipline.

The employer should, so long as he scrupulously observes his commitments under the agreement with his employees, be able to rely upon like observance by the latter of their undertakings.

Within the last short while, in my own practice, I have had to advise no less than four large employers of labour, in whose plants "spontaneous" strikes had occurred. In each of these plants collective bargaining had long since been the rule and in each one unexpired agreements existed, with trade unions representing the employees.

In each of these plants at least one strike has taken place in violation of the law, and according to the responsible union officials without the approval of the union and against the advice and counsel of its officers.

Undoubtedly cases have occurred of strikes not inspired by union officers and not under union auspices; no one who has followed the history of work stoppages in the Nova Scotia coal fields could contend otherwise. But in the matter of many of the recent "spontaneous" outbursts there is no question but that the protestations of innocence and helplessness on the part of high union officers are either an exhibition of blatant, brazen and cynical hypocrisy or a confession of ineptitude and unfitness for the positions which they hold.

The employer who is willing to bargain collectively and has done so with the chosen representatives of his employees deserves a better fate than to be ground between upper and the nether millstones of the jurisdictional dispute so-called.

I have referred earlier to the lack of conventional business morality in the technique of needlessly and deliberately inciting the employees against the employer, and such practices I condemn, but what are we to say of the morality which lies behind the drive of one trade union to seduce the membership of another, the consequent incitement of the employees so recruited to repudiate their agreement by striking in violation of the provisions not only of that agreement but of the law of the land? Can such behaviour find its justification in any concept of the duty of union leadership toward those whom it purports to represent and whose welfare should be its chief concern?

As I write these words several thousand workers in war industries in Canada are exercising their right to strike in protest against the refusal of regional boards to increase their wages. Whatever may be said about the policy of permitting strikes in such industries I hold that a strike for such a cause is a strike not against an employer but against the nation, and that the leadership which tolerates, not to say provokes, such conduct is unworthy of the labour movement and sadly belies the "no strike in wartime policy" of which we have heard so much, to say nothing of vapid declarations of burning patriotism to be exemplified in an all-out production effort.

Small wonder if in the light of these events the trade union, notwithstanding its many virtues as an institution and the genuine worth and solid citizenship of many of its leaders and adherents, is not universally received with open arms.

It is not my thesis, however, to demonstrate either that the labour movement or its leaders as a whole merit nothing but censure and adverse criticism, I mention these matters only for the purpose of emphasizing certain of the reasons for the failure or breakdown of our labour policy.

I have referred to the labour movement. Perhaps the most disturbing of the undercurrents which adversely affect industrial relations in this country is to be found in the political implications deriving from associations more or less closely knit, whose membership represent the largest group of organized potential voting strength in our population.

It is an open secret that when the first opportunity arises to obtain an expression of the popular will, one of our political parties will appeal for public support upon a platform containing labour planks which contemplate radical changes in the social system, and, of course, if the public endorse this policy, then, by the tenets of democracy, the proposed changes will take place.

I note, however, in the submissions made by some labour leaders before this Board a tendency to accelerate the program, to demand that a new and larger place be now accorded labour as a part of the war program, a place which cannot be conceded without a decided shift of economic factors and the adoption of a doctrine which so far has not received the benediction of the ballot.

I am impressed also by the timidity which has characterized not only our legislation but our administration in respect to labour matters. And while I understand and appreciate the necessity and desirability of unity in all our national doings, under present circumstances, I cannot but feel that compromise and appeasement can play too large a part in any aspect of a problem in which individual or group behaviour is at variance with that most conducive to the public weal.

Certain conduct *not malum in se* was proscribed by law early in the wartime period as derogatory to Canada's effort to do her utmost toward victory and peace. Under certain circumstances strikes were banned, and penalties prescribed for those who incited or participated in them. The whole world knows that in contravention of that law strikes have occurred in Canada, whose instigators were suspect, to say the least, and whose known participants were myriad.

How many offenders have been prosecuted? So far as I know, none. The text says "nine" there; it should be "none."

Mr. COHEN: About twenty-two alleged offenders were prosecuted.

Mr. FORSYTH: I speak only of what I know.

But this I do know that two of the most notorious, and from the national point of view, most costly ones, resulted in the reward of the striking forces by substantial concessions which the declared policy of the government denied them.

I submit to this Board that the declarations of P.C. 2685 are in the main admirable, that collective bargaining and all its concomitants should be accepted and that the dignity and the responsibility of labour and of its organizations should be acknowledged and respected, not only by employers but by the public generally.

The results which such an attitude of mind may be calculated to achieve can, I submit, only be attained if all parties concerned approach the issues arising in industrial relations in an atmosphere far different from that which now prevails. And, carrying the metaphor a little further, my experience is that legislation has little effect upon the weather.

However, I do believe that confidence in our institutions can be restored and a background created against which industry and labour may compose and reconcile their differences if certain dubious factors can be eliminated.

Bearing always in mind that in my view, and possibly quite a mistaken one, the recommendations of this Board will only avail toward temporary relief in so far as legislative results ensue, unless the provinces can be induced to co-operate to a greater degree than they have so far done, I venture to suggest that probably greater good would result from meetings of local groups of employer and employee representatives, under the auspices of this Board, to discuss and to agree, if possible, upon certain principles to be raised upon an agenda prepared by this Board with such consultants or advisers as it might see fit to make use of.

Such a course presupposes, however, a degree of employer organization that exists in few industrial areas in the country and might well require too long and protracted preparatory steps, and therefore, it is perhaps better that I put forward and explain my suggestions for improvement of the present situation, which are as follows:

Before I embark upon that, may I say that when I came to this part of the brief it seemed to me that to pass orders in council to direct people to do this or do that would not be nearly so useful as it would be if some institution like your Board—I say without any attempt at flattery that this Board does possess the confidence of employers and employees—could ask the people to meet and discuss matters and interchange views, in the hope that you will get a policy, at least in each locality. Even if you have a different policy in one locality from that which prevails in the other, it might be useful too. I can see that there are organizational difficulties in the way.

1. The principle of collective bargaining should be universally accepted.

A phrase which I have heard often of late is “compulsory collective bargaining” if that means that employers and employees should be compelled by affirmative enactment or decree to enter into negotiations through representatives looking toward conclusion of a trade agreement, I see no objection to it, but the proposal carries with it incidental difficulties.

What, if any, one organization or committee is to be an exclusive bargaining agent, and under what circumstances? The trade union view which finds support in many quarters is that the will of the majority represents democracy incarnate. I find it difficult to accept their principle if it involves, as I think it must do, the stilling of the voice of the minority altogether, because in many industries where unskilled labour far outnumbered skilled artisans and vertical unions exist an obvious anomaly arises and the probability of injustice is manifest.

To meet this difficulty it seems to me that in any industry in which more than one union has adherents each such organization should participate in negotiations and should sign for its members any agreement concluded, and where any substantial minority, say ten per cent or more of the total number of employees is not affiliated with an organization, steps be taken to have that minority also represented.

The duration of agreements resulting from collective bargaining should be for fixed periods not less than one year, and bargaining agencies recognized and participating in negotiations for such agreements should continue to be recognized during the life of the agreements regardless of any change of union affiliations on the part of employees.

Voting upon matters of representation should be conducted under the auspices of this Board.

Differences as to interpretation or application of the terms of any such agreement should be adjudicated upon by this Board after preliminary investigation and reported by a referee appointed by the Board. Decisions of the Board in such matters to be final and to bind all parties.

2. All trade unions or other organizations purporting to represent employees in collective bargaining should be licensed as a prerequisite to activity.

The problem of fixing labour organizations with responsibility for their collective acts or for the acts of their individual members is a most difficult and at the same time a most delicate one. It arises, in the first instance, from a legal history, so far as the common law at least is concerned, which refused to recognize the existence in law of an organization manifestly directed to restraint of trade. Industry for some years enjoyed an illusory advantage from this state of the law, which the unions to their credit have converted to a real though perhaps intangible asset of their own.

Protection of union members requires that trade union finances and internal administration be regulated and controlled and in this aspect of the matter I endorse the submissions recently made to this Board by Mr. Elliott Little.

In Sweden both unions and their members are made financially responsible for breaches of and defaults in their obligations under trade agreements but I cannot believe that measures creating a like responsibility would be favourably received in Canada or if enacted accomplish a useful result, and certainly such measures have no place in any temporary readjustment of policy.

The requirement of a licence to be issued by this Board, and subject to revocation by the Board for cause shown would, I suggest, go far to impress upon the officers of trade unions that irresponsible and ill-considered acts on the part of themselves or their members might adversely affect the organizations and also to reassure employers upon the vexed question of union responsibility.

The conditions prerequisite to the granting of the licence obviously require some study and the causes for which it should be revoked or cancelled are not easily to be defined. I would suggest, however, that strikes or work stoppages by union members in violation of their agreements or of the law if concurred in or not disavowed by the officers of the union with appropriate disciplinary action might well be considered as a cause justifying cancellation; that the issuance of libelous or scurrilous publicity calculated to provoke discord and dissension between employer and employee or between one organization and another, or the wanton misuse of union funds would similarly justify such action.

3. (a) The Industrial Disputes Investigation Act should be so amended as to limit the function of Boards of Conciliation and Investigation to the consideration of disputes arising in the negotiation of agreements and before their conclusion.

That ties in with my previous suggestion, that once agreements are concluded their application and interpretation is a matter for the Board.

(b) Boards of Conciliation should be composed of a referee appointed by this Board assisted by advisers nominated by the interested parties but only one report, that of the referee, should be permitted.

(c) The now farcical requirement of a strike vote before the institution of conciliation proceedings should be eliminated.

4. Strikes in war industries should be absolutely banned, and those who foment, incite or participate in them should be subjected to severe penalties. Enforcement of penalties for such offences should be in the hands of an enforcement officer subject to the control and direction of this Board.

5. The closed shop and the check-off should be rejected upon principle, because they are essentially undemocratic, restrict the right of the employer on the one hand to select those who are to enter and remain in his employ without assurance of a supply of competent workmen, and of the employee on the other to make free choice of the organization to which he will give allegiance and to transfer that allegiance at will; they impair and destroy the initiative and interest of union officers to exert their best efforts on behalf of their members.

6. Associations or organizations of employees financed by or controlled or directed by employers should not be licensed as bargaining agents, but committees or other units representative of employees in particular industries duly elected by a representation vote should be so licensed.

For myself I feel that the foregoing suggestions might, particularly if adopted at meetings of truly representative gatherings of employer and employee organizations, assist in creating that confidence which leads eventually to co-operation and goodwill. Some attention might profitably be paid to the formation of employer organizations not only for the mutual exchange of views upon industrial relations, but for the publicizing of their respective practices in that field, but that, after all, is a matter for the employers themselves and not for this Board.

I cannot, however, conclude this brief without one more criticism which I address to both employers and employee organizations. I find it difficult to understand why so little information as to the actual proceedings in the course of the negotiations attendant upon collective bargaining is made available to the rank and file of employees, whose complete understanding of the attitude taken by both sides in such negotiations would, I should think, lead to more ready acceptance of the resultant agreements and more loyal observance of them.

In conclusion may I thank you, Mr. Chairman, and your colleagues for your patience and forbearance with me, not only to-day, but in the days which lie between your first hearings on this inquiry and to-day. May I apologize for the incompleteness of this presentation which, I fear, falls far below the standard which at the outset I had fixed for it, but the magnitude and importance of the subject have confirmed to me the truth of two aphorisms, of which the first is "art is long, life short, judgment hard and opportunity fleeting", and the second, "*scientia scilorum est mixta ignorantia*"—"the knowledge of smatterers is diluted ignorance."

The CHAIRMAN: Thank you very much, Mr. Forsyth. We appreciate your brief.

Mrs. KASPAR FRASER (Welfare Council of Toronto and District): Mr. Chairman, I will read the brief, but if there are any questions to which you would like to have answers I would ask they be addressed to Miss Bell, who was the chairman of the committee on much of the work with which the memorandum deals.

The CHAIRMAN: Thank you, Mrs. Fraser.

Mrs. FRASER: The brief is as follows:—

Because of the statement made by the War Labour Board that the widest discussion of all matters related to labour relations and wage conditions would be welcomed, the Welfare Council of Toronto and District submits certain material as to living costs which it hopes the Board may find useful. In order to judge what constitutes a proper wage in a given case, the members of the Board will wish to be able to consider it against some accepted standard. Such standard, if it is to be of practical value, must not only be expressed in money terms but must also present a clear picture of what the money will buy. We have noted that, in the submissions made before your board, and elsewhere, statements have been made as to the adequacy or inadequacy of a given wage, without any precise interpretation as to what standard of living that wage represents. It has been our experience that discussion of a general type may be shortened if a specific standard of living, expressed in terms of goods and services as well as in money, is available for consideration.

During the period between 1936 and 1939, the Welfare Council made a study in order to fix such a standard. It was published in 1939 under the title "The Cost of Living". While we are well aware of its limitations in scope and accuracy, we are of the opinion that it is still the most practical and specific one which has been made in Canada to date. On that account we venture to submit copies of it for the consideration of the Board, together with this short memorandum which summarizes the

methods used and conclusions arrived at in it. Full details as to these articles and services, and their costs in 1939, which were included in the standard budget as being necessities, are to be found in "The Cost of Living".

The study in Toronto was undertaken by the Welfare Council on behalf of the social and health agencies, in order to provide them with the proper understanding of the financial problems faced by the families whom they serve and with a more precise basis for administering the funds at the disposal of these agencies. The committee which carried out the study was made up of representatives of non-sectarian, Roman Catholic and Jewish private social agencies, and of the Public Departments of Welfare of the province of Ontario and the city of Toronto. Its members, therefore, were people intimately acquainted with the actual conditions obtaining in the lives of the working population, and in particular of those in the lower income brackets.

Plan and Method of the Study

As a first step the committee surveyed the studies which already had been made by other bodies. It was found that the data for most of these was procured by having the heads of families record the expenditures, under various categories, which had been made. This information, while fundamental, records only the actual scale of living in a given district, at a given time. It makes no attempt to set up a standard which may be expected to provide health and welfare. In our study, as well as using this method, we added a further check. We first estimated, in regard to each category of family expenditure, what one should reasonably expect a living wage to provide. We then compared this with what the families were actually spending. After this comparison, we set up what appeared to be a reasonable standard for each category and expressed it in money terms, by pricing the various articles in the open market. Our conclusions were finally checked at each step against the methods and findings of the other available studies.

Family expenditures may be classed under various headings. Those which were adopted were eight: shelter, food, clothing, operation, advancement and recreation, medical care, insurance and savings. It was found that for the first four items, shelter, food, clothing and operation, sufficient data was available from which standards could be drawn up with considerable precision. For the last four, the basis for decision was meagre. Since, however, shelter, food, clothing and operation are found in ours as in other studies, to account for about 80 per cent of the total expenditure, possible inaccuracies in regard to the remaining categories do not appear to be important.

Shelter

In setting standards for satisfactory housing we accepted the following as the main requirements. The house should be in a reputable neighbourhood. It should have a livingroom and kitchen neither of which should be used for sleeping quarters. The number of rooms should allow for a separate bedroom for the parents and separate rooms for children of different sexes after the age of six years. The house should be weatherproof and capable of being heated. It should contain a kitchen sink and a two-piece bathroom with a toilet in working order and a properly enclosed cupboard for the storage of food to protect it from flies and insects. With these and other less important factors in mind, a survey was made of the houses occupied by over five hundred families known to one of the agencies in each of which a worker from the agency had been in residence for at least one week. The conditions and rent of

each house were thus accurately known. The houses were then classified under three headings; (1) meeting the standard; (2) slightly below standard; (3) definitely below standard. Results were also checked by consultation with real estate agents. From this some estimate could be made as to the cost of decent housing. It is proper to say that the relationship between adequate rest and proper housing was not a close one at the time of our study. It was even then the case that high rents were being paid for very unsatisfactory houses. The same is more true to-day. Rents are now much the same but the difficulty of finding decent shelter is enormously increased. Under these circumstances, the estimate for rent in our appended budget may have little relationship with reality, as far as it goes towards buying proper shelter.

Food

In assessing food requirements, the standard adopted was one which would allow for meals which would be as inexpensive as possible, still providing all constituents necessary for complete well-being and also being in accordance with Canadian dietary habits. It was considered necessary that the meals should be economical in fuel and be within the ability of the average housewife to prepare, without demanding more time in preparation than was reasonable in view of her other duties. As to the necessary nutritional constituents, the standard which we used for guidance was that under discussion by the Canadian Council on Nutrition, in 1939. During the study, many families known to the agencies co-operated in testing our food lists by use in family meals and some changes were made in light of this practical experience.

A more recent study, "Recommended Dietary Allowances," published by the Committee on Food and Nutrition of the National Research Council in Washington in 1941, the standards of which have now been adopted by the Canadian Council on Nutrition, shows that the food lists which we used need little, if any, alteration.

While meals which are outlined satisfied the above requirements, they would become fairly monotonous over a period of time. In this connection it is interesting to note the findings of a recent field study in Toronto conducted by the Visiting Homemakers' Association. They examined the money spent per capita for food by families whose homes were being used as foster homes in which to place children, by local children's agencies. Foster homes are chosen by such an agency from among self-supporting working class people, generally of the lower middle income group. In the homes used in the field study, the women were good managers, did much of their own baking, bought no luxuries and few imported articles of food. Even so, they were found to spend more than twenty-five per cent per capita on food than our standard would allow.

Clothing

Our estimate of the necessary articles of clothing for adults was arrived at by consultation with social workers, with an organized group of working men's wives and with many individual women, wives of working men, known to the social agencies as being good and economical managers. While all these were also consulted as to the requirements of children of various ages, we mainly depended on the experience of the Children's Aid Society of Toronto which clothes over eight hundred children a year. These children are boarded out by the Society in foster

homes in working class families, independent and self-supporting. The clothes for the children are chosen as economically as possible but still resembling those worn by the other children in the foster homes and in the school and community of which the foster children become a part. In making our estimates of what garments are required, we assumed care in preparing and cleaning them and a moderate amount of skill and time devoted to making them over.

After our lists were made up, costs were determined by enquiry as to the lowest grade and price available for each article, the price most usually paid, and the grade and price recommended by the departmental heads in the large stores. While families vary greatly in their clothing needs and the amount of wear and tear to which they subject their garments, we think that we can claim that our estimates are at least the most accurate ones which have yet been made in Canada on this subject.

Operation

Estimates for necessary expenditures for heating, lighting, cooking and ice were made from the records of the companies supplying these services and in consultation with their statisticians. These were checked by discussion with many working class housewives, known to be good managers, and by comparison with the records kept by them as to their actual expenditures. Costs of cleaning, laundry and replacements are on a less accurate foundation, having only been determined by consultation with individual families and from the records which they kept.

Requirements and customs in operating expenses vary widely. Our estimate of cost is designed to provide a minimum of comfort and convenience.

Advancement and Recreation

It was agreed that an acceptable standard must include money for newspapers, some books and writing materials, group activities and other forms of outdoor and indoor recreation. How much would be spent on these depends to some extent on what facilities are available in a community and on personal tastes. We outlined three possible levels, the lowest of which, used in our sample budget, would seem to provide a bare minimum for this category.

Dental and Medical Services

Widespread investigation revealed no basis on which we could estimate dental costs. The only foundation which the committee could use for medical costs was that given in the charges for the Associated Medical Services, a local co-operative medical insurance group.

Insurance and Savings

The various insurance companies co-operated in attempting to formulate a plan for insurance. It was difficult to draw general conclusions, since opinions varied widely. There was, however, agreement that insurance of the wage earner should be included and that a bank account to meet emergencies was essential to any sense of security. We have included the lowest estimates among those suggested for these items in our sample budget.

WEEKLY BUDGET FOR FAMILY OF FIVE—MAY, 1943

Man, Woman, Boy 6, Girl 10, Boy 12

Item	Cost
Rent	\$ 6.25
Food	11.19
Clothing	5.36
Operation—	
Gas, coal, light	3.12
Water, ice, cleaning, special cleaning, car fare, new articles.....	2.76
Advancement and recreation	1.48
Associated medical services	1.73
Insurance 20 Payment Life (started at 20 years of age).....	0.34
Savings	1.50
Total	\$33.73

It will be noted that in this budget, originally drawn up in 1939 and repriced to 1943 prices, nothing is included for Unemployment Insurance payments.

Mr. COHEN: Was there another pricing job in 1943?

Miss Marjorie BELL (Visiting Homemakers' Association, Toronto): The food is done by actual repricing, and some of the others where we could get the prices.

Mrs. FRASER:

Sample Weekly Budget

We append a sample weekly budget, made up in accordance with the above methods, for a family of five people. This is supposed to consist of a father, regularly employed in work requiring moderate physical exertion, a mother discharging all the household duties and three children, a boy of 12, a girl of 10 and a boy of 6. A family of this size was chosen as being near to the average of Canadian families, while still below the average size of family necessary if the population is to maintain itself numerically. This budget is made up by using the lowest figures in each category in the estimates arrived at by the methods described above. The food would need to be planned, purchased and cooked with skill if it is to provide a modern standard of nutrition for full health. The amounts allotted for it would require to be increased, if the wage earner were doing heavy work or if the mother were pregnant or nursing a child. The money allowed for recreation is very little and includes nothing for travel, automobiles, tobacco or drink. There is no allowance for a telephone. No provision has been made for old age since the small savings budget will be required to meet current emergencies, such as dental care. The amount allotted for replacements and new articles is exceedingly low. No special provision has been made for various emergencies, such as money losses, funerals and the expenses incidental to childbirth.

By reference to our "Cost of Living" publication it will be noted that our total estimated budget for the sample family represents an increase of 19 per cent, as against the figures of 1939. The Bureau of Statistics estimates the increase in cost of living to be 16.7 per cent for about the same period.

Since this was written we have new figures from the Dominion Bureau of Statistics, which makes that estimate, I think I may say, 17.2; ours was 19.

In making up our budget as of 1943 the changes as published by the Bureau of Statistics in its cost-of-living index have been used for most of the categories and the cost of the various items have been increased by the percentages indicated there. To follow all the changes

would be beyond the capacity of the staff available to the Welfare Council. However, we have detailed records of the prices in the open market, at the beginning of each month, of all the foods on which our sample budget is based. We have used these figures in this memorandum.

Between October, 1939, and May, 1943, there has been, according to our estimates, an increase of 34 per cent in the cost of food. The Bureau of Statistics shows an increase of only 29·6 per cent from August, 1939, to April, 1943. This difference is accounted for by the fact that the types of food on the two lists are different. Those used by the Bureau are foodstuffs which are available all the year round and which therefore form a stable index. Canned fruit and vegetables are the only Canadian ones included in this list, except onions and potatoes. The foodstuffs on which the estimates of the Welfare Council are based are those which, in actual fact, are currently used by Canadian wage-earners and which we consider desirable from a nutritional and economical point of view. Except for a few months in the year, it is cheaper to use fresh or dried Canadian vegetables and fruits, such for instance as carrots, turnips and dried apples, than to buy canned goods.

In recent months supplies of cheap foods, ordinarily in common use and large quantities of which are included in any food list desirable for working families, have been very irregular. For instance, inexpensive cuts of meat are probably available at some time every day in some shops in Toronto, but one member of the committee went every day during two weeks this spring to shops in various districts, where working people customarily deal, and was able to find cheap cuts of meat which were worth buying only twice. It remains to be seen what effect the recent introduction of meat rationing will have on this situation. At present it is almost impossible to find potatoes. Peanut butter can only be bought from time to time. As a result of these irregularities, housewives are forced to buy what is in the shops and have not the opportunity of keeping costs down by their skill in choosing. The cost of feeding their families is thus raised, to what an extent it is impossible to estimate.

An official report entitled "Consumer Expenditures in the United States," published by the National Resources Committee in 1939, confirms the general conclusions of our study. This report of the American government gives an account of a survey of over twenty-nine million families, the most exhaustive one on record for any country. It was found that only families with an income of \$1,500 and over were able to maintain themselves without debt. This figure closely approximates our estimate of \$1,474 as being necessary for financial independence for an average family in 1939. It is interesting to note that the allocation of expenses to various categories is similar in the American study to that which we made.

While we think that our study is reasonably accurate, as far as it pertains to conditions in Toronto, it should perhaps be remarked that the figures which it contains cannot be applied without modification in other areas in Canada. Aside from obvious variations imposed by differences of rent in different localities, there are others which are equally important. For instance, the Toronto study is based, as far as its foods cost are concerned, on families in which the wage earner is employed at work requiring only moderate physical exertion. Workers in heavy industries, in mining and in outdoor occupations would require more food. Special dietary problems are presented by the needs of miners for whom, we are told, there is difficulty in including enough milk in the diet. This is of special importance because vision in poorly lighted areas is largely dependent on an adequate intake of riboflavin, for which milk is the

most practical source of supply. In many outlying areas prices for fresh vegetables and fruit, on which the intake of vitamin C depends, are much higher than in Toronto. We suggest that if the members find material such as is contained in our study useful, the Board, in the future, should be assisted in its consideration of wages in various districts and in different industries by a field worker thoroughly trained in dietetics and budgetting and accustomed to consulting with working class families, whose duty it would be to enquire into local conditions and requirements from the same practical standpoint. Facts relative to the actual purchasing power of wages in a given community would thus be made available to the Board. This would supplement statistical information, which has little real usefulness except when correlated with practical facts.

All of which is respectfully submitted.

The CHAIRMAN: Thank you very much, Mrs. Fraser.

Hearing adjourned until 2.30 p.m.

Appendix—"The Cost of Living", booklet published by the Welfare Council, Toronto, 1939.

APPENDIX

THE COST OF LIVING

A STUDY OF THE COST OF A STANDARD OF LIVING IN TORONTO WHICH SHOULD MAINTAIN HEALTH AND SELF-RESPECT—PUBLISHED BY THE WELFARE COUNCIL, TORONTO, ONT., 1939—PRICE 50 CENTS.

PART I

INTRODUCTION

Early in 1937 a study of the cost of living in Toronto was undertaken by a committee assembled by the Federation Council of the Federation for Community Service. The committee as finally established had representation from Protestant, Roman Catholic and Jewish Agencies, City and Provincial Departments of Health and Public Welfare. In 1938 the work of this committee was accepted as one of the activities of the Welfare Council of Toronto.

Reasons for Undertaking the Study

Social and Health agencies, in order to give competent advice to families, need to have some standard by which to measure the adequacy of the income, and to analyse the way in which it is being spent.

Progressive employers have stated from time to time that they realize money wages have little significance unless translated into terms of what these wages will provide, and have urged the social agencies to interpret the situation as it applies to prevailing wages.

The general public have been seeking information on the subject in order to judge the wisdom and effect of the proposed legislation which would establish a minimum wage for men.

Initial Plans—Final Results

Before forming a plan of procedure, the committee consulted all available sources of advice, with the result that it was decided a thorough study of the subject would be necessary to avoid hasty conclusions. The committee wishes to say that even this preliminary review revealing the scope of the problem, the work has exceeded all anticipation. In this study the major part of the work was carried out by one of the social agencies (a member of the Federation for Community Service), in addition to its regular program. A large group of volunteers assisted with the visiting, and full-time workers on salary were available for a few months. The committee is convinced that such a study could be carried out more effectively if money were available to provide competent, full-time staff with equipment and transportation. At the same time they know that there is practically no information on the cost of living available in Canada, and they hope that the present study with all its limitations may prove useful and serve as a foundation for further study at some future time.

The statement is frequently made that some families "get along very well" on a low wage, and that the ability to manage is the most important factor. Those who have detailed knowledge of the situation are convinced that the ability to manage well, while valuable, is not sufficient, and they have constantly before them the evidence of harm resulting from the low standard of living made necessary by inadequate income. The Toronto Committee for Dietary Studies, for example, has carried out a unique and detailed analysis of one hundred low-income families in Toronto, the findings of which give concrete evidence of the unsatisfactory conditions for nutrition. A preliminary report of the study made by the above committee is available through the Canadian Public Health Journal.

The need for assembling more extensive data on the details of the family budget is obvious, and was included in the initial plan of the committee working on the Cost of Living. However, it was found later this would have to be a study in itself, and required facilities which were not available.

The committee acknowledges with gratitude the contributions of money which made this study possible. The greatest appreciation is extended to those families who, at the expense of time and convenience, so faithfully recorded their expenditures. The committee also wishes to thank the volunteers who visited the families, helped in collecting prices, in checking records, and in typing.

THE PROCEDURE FOLLOWED FOR THE STUDY

A Standard of Living

Before an estimate can be made of the cost of living, there must be agreement as to the plane on which life is to be maintained. The setting up of a standard for each division of the family budget was considered the fundamental task of the committee. With a standard established, the cost of its attainment may be studied and estimated for each locality.

Sub-Committees

The committee was divided into sub-committees on Shelter, Nutrition, Clothing, Operation, Health, Recreation, Insurance and Savings. Each sub-committee consulted every available source of information on the particular division of family life with which it was concerned.

Pricing

Each sub-committee did its own pricing, using as many different methods as possible. The results were then compared and checked.

Family Records

It was decided to obtain detailed records of family expenditures as one source of information regarding the cost of living. Social and Health Agencies assisted in supplying names of approximately two hundred and twenty-five families. These were visited and asked if they would keep a year's record of all their expenses. One hundred and sixteen volunteered to co-operate, but for various reasons only forty completed the twelve months' record. Twenty volunteers visited these families at regular intervals to assist them in recording their expenditures. The committee recognizes that forty is too small a number from which to draw general conclusions, but feels that valuable observations can be made from them.

THE TABLES FROM WHICH INDIVIDUAL FAMILY BUDGETS MAY BE ASSEMBLED HAVE BEEN PLACED IN PART I OF THE BOOK SO THAT THEY MAY BE USED EASILY.

A BUDGET FOR A FAMILY OF FIVE HAS BEEN ASSEMBLED FROM THESE TABLES, AND WILL BE FOUND ON PAGE 1178.

PART II CONTAINS THE MATERIAL FROM WHICH THE TABLES IN PART I WERE COMPILED.

Shelter

The following is a schedule of minimum rents compiled by selecting the modal rent in each of the groups in Table 14, with confirmations from the sources mentioned on page 1165.

TABLE 1.—MINIMUM RENT SCHEDULE—To be used in compiling budgets.—
(For detailed information see pages 1164-65).

Number of Rooms.....	1	2	3	4	5	6	7	8	9
Rent—Monthly.....	\$10	15	15	20	25	25	30	35	35
Rent—Weekly.....	\$2.33	3.50	3.50	4.65	5.81	5.81	6.98	8.14	8.14

NOTE—While the survey of rents showed that houses are generally obtainable for the amounts indicated in Table 1, a study of Table 14 reveals that in some cases higher rents were paid for the same size of house. The committee thinks there is need for further investigation of districts in order to determine where the houses on the lower and higher rent levels are located. In compiling a budget for a family the factor of location must be considered.

The following is the percentage distribution of the number of rooms in the housing accommodation of the survey families.

TABLE 2.—SURVEY RESULTS—Relative Frequency of Different Sized Houses or Flats in Survey Families.

Number of Rooms.....	3	4	5	6	7	8	9
Demand Expressed in Percentage.....	2	5	12	53	17	6	5

NUTRITION

TABLE 3.—Weekly food costs for each of the age and sex groups listed below will be found in Table 4. Three sample market orders for different sized families based on these lists are in Table 5. Simple menus also based on Table 3 are on page 1161.

MINIMUM WEEKLY FOOD LISTS—Based on the Canadian Council of Nutrition Standard—(For further information see page 1166).

Age Groups	Milk	Cheese	FRUITS		VEGETABLES				
			Fresh	Dried	Green	Root	Dried	Potato	Tomato
	Pts.	oz.	lbs.	lbs.	lbs.	lbs.	oz.	lbs.	2½ tin
Child 2-3.....	9	2	1	$\frac{1}{4}$	$\frac{1}{2}$	1½	2	2	$\frac{1}{2}$
Boy 4-6.....	9	2	1½	$\frac{1}{2}$	$\frac{1}{2}$	1½	2	3	$\frac{1}{2}$
Girl 4-10.....	9	2	1½	$\frac{1}{2}$	$\frac{1}{2}$	1½	4	3	$\frac{1}{2}$
Boy 7-10.....	9	4	1½	$\frac{1}{2}$	$\frac{1}{2}$	1½	4	3	$\frac{1}{2}$
Girl 11-12.....	10½	4	1½	$\frac{1}{2}$	$\frac{1}{2}$	1½	4	3	$\frac{1}{2}$
Boy 11-12.....	10½	4	1½	$\frac{1}{2}$	$\frac{1}{2}$	2	4	3	$\frac{1}{2}$
Girl 13-19.....	10½	4	1½	$\frac{1}{2}$	$\frac{1}{2}$	2	4	3	$\frac{1}{2}$
Boy 13-15.....	10½	4	1½	$\frac{1}{2}$	$\frac{1}{2}$	2	4	4	$\frac{1}{2}$
Boy 16-19.....	10½	4	1½	$\frac{1}{2}$	$\frac{1}{2}$	3	4	4	1
Man moderately active...	3½	4	1½	$\frac{1}{2}$	$\frac{1}{2}$	3	4	4	1
Woman.....	3½	4	1½	$\frac{1}{2}$	$\frac{1}{2}$	2	4	3½	1
Pregnant Woman.....	10½	4	1½	$\frac{1}{2}$	$\frac{1}{2}$	2	4	3½	1

Note 1.—Add 10c. for each adult and 5c. for each child for condiments.

Note 2.—To use this form rule a sheet with headings as above. Fill in the sex and age of each child in the family, and the father and mother. Copy the amounts of food for each individual. Total each column. For the grocery order eliminate fractions; increase if fraction is one-half or more.

Eggs	Meat or Fish	Liver	Cereals ($\frac{1}{2}$ whole Grain)	Bread ($\frac{1}{2}$ whole Wheat)	Fats	Butter	Sugar	Other Sweets	Prices Spring 1939
	lbs.	oz.	lbs.	24 oz. loaves	oz.	lbs.	oz.	oz.	
7	$\frac{1}{2}$	2	$\frac{1}{2}$	1	2	$\frac{1}{4}$	2	2	1.24
4	$\frac{1}{2}$	4	$\frac{3}{4}$	1 $\frac{1}{2}$	2	$\frac{1}{4}$	4	4	1.37
4	$\frac{3}{4}$	4	1	2	2	$\frac{1}{2}$	4	4	1.45 1.54
4	$\frac{3}{4}$	4	1	2 $\frac{1}{2}$	2	$\frac{1}{2}$	4	4	1.71
2	$\frac{3}{4}$	4	1 $\frac{1}{2}$	3	6	$\frac{1}{2}$	6	6	1.82
									2.15
2	1 $\frac{1}{2}$	4	1 $\frac{1}{2}$	3 $\frac{1}{2}$	12	$\frac{3}{4}$	8	8	1.78
2 4	1 $\frac{1}{4}$	4	1	2 2 $\frac{1}{2}$	8	$\frac{3}{4}$	6	6	1.52 2.01

In Table 4 the weekly food costs are given by age groups, and are based on spring prices, 1939.

TABLE 4.—WEEKLY FOOD COSTS.

Age Groups	Child 2-3	Boy 4-6 Girl 4-10	Boy 7-10 Girl 11-12	Boy 11-12 Girl 13-19	Boy 13-15	Boy 16-19 Man moder- ately active	Woman	Pregnant Woman
Priced..... Spring 1939.....	\$1.24	\$1.37	B.\$1.45 G.\$1.54	\$1.71	\$1.82	B.\$2.15 M.\$1.78	\$1.52	\$2.01
Dec. 1939.....								
March 1940.....								
June 1940.....								
Sept. 1940.....								

The money allowance for food for an adult living alone should be increased by approximately one-half and for two adults alone, by approximately one-quarter.

Food prices should be collected from the stores in the neighbourhood in which the families live. Obtain the usual or average price for the seasons. Do not include sale prices.

TABLE 5.—SAMPLE MARKET ORDERS FOR DIFFERENT SIZED FAMILIES FROM PRECEDING FOOD LIST, Pages 1158-59.

Food	Unit	Two Adults Boys 6, 12 years Girl 10 years	Two Adults Child 2 years Boy 6 years Girls 4, 8 years	Two Adults Boys 14, 18 years Girls 12, 16 years
MILK.....	Qts.	18	22	25
CHEESE.....	Lbs.	1	1	1½
FRUITS				
Fresh—Apples, oranges, bananas.....	Lbs.	8	9	9
Dried—Figs, dates, prunes, raisins.....	Lbs.	3	3	3
VEGETABLES				
Fresh—Green—Cabbage, spinach, lettuce, green beans, green peas.....	Lbs.	3	4	4
Root—Carrots, turnips, onions, beets, parsnips	Lbs.	10	10	14
Dried—Navy beans, lima beans, peas, lentils.	Lbs.	1	1	1½
Potatoes.....	Peck	1	1½	1½
Tomatoes.....	Tin No. 2½	4	4	5
EGGS.....	Doz.	1½	2	1½
MEAT AND FISH.....	Lbs.	6	6	8
Haddock, cod, salmon, hamburg steak, corned beef, stewing beef, flank steak, lamb forequarter, liver				
CEREALS (½ whole grain).....	Lbs.	5	5	8
Rolled oats, macaroni, rice, tapioca, flour, cornmeal, dark farina, sago, barley				
BREAD (½ whole wheat).....	Lbs. 24 oz.	11	11	17
BUTTER AND OTHER FATS.....	Lbs.	4	4	6
Lard, shortening, peanut butter, side bacon				
SUGARS AND OTHER SWEETS.....	Lbs.	3	4	5
Molasses, honey, jam, corn syrup, marmalade.				
CONDIMENTS.....	Cost	.35	.40	.40
APPROXIMATE TOTAL COST, TORONTO, SPRING, 1939.....		\$8.00	\$9.00	\$11.00

OPERATION

TABLE 8.—MINIMUM SCHEDULE FOR ITEMS IN OPERATION—(For *detailed* information see pages 1170-71).

	Gas	Electric Light, 1 Appliance (not stove)*	Electric Light Stove and other Appliances*	Water*	Ice
Year.....	\$30.00	\$18.00	\$30.00	\$10.40	\$25.80
Month.....	2.50	1.50	2.50	.87	2.15
Week.....	.58	.35	.58	.20	.50

	Telephone	Cleaning\$ materials	Special Cleaning	Carfare to work	Replacements New Articles
Year.....	\$33.00	\$18.00	\$5.00	\$38.70	\$25.00
Month.....	2.75	1.50	.42	3.22	2.08
Week.....	.64	.35	.10	.75	.48

Note:—These figures will vary slightly with size and condition of house, and the size of the family.
 \$On basis of 10c. a week for house, and 5c. for each person.

*Six-roomed house with standard equipment.

TABLE 9.—COAL FOR HEATING AND COOKING—(For detailed information see page 1171).

	Heating (6½-7 months)			Cooking (12 months)
Rooms.....	1-3	4-5	6-8	
Amount Weekly.....Lbs*	300	400	500	100-200
Cost—Week.....\$	1.87	2.49	3.11	.63-1.26
Cost—Month.....\$	8.04	10.71	13.39	2.71-5.42
Cost—Year.....\$	56.25	75.00	93.75	32.52-65.04

*2,000 lbs.—1 ton coal.

ADVANCEMENT AND RECREATION

The committee found it difficult to secure information which could be used as a sound basis for this section of the budget. Table 10 indicates three possible levels of expenditure for a family of two adults and three children. It is assumed that the amounts allocated to the different items will be adjusted by the family to meet its individual situation.

TABLE 10.—THREE LEVELS OF EXPENDITURE—(For detailed information see pages 1171-74).

ITEM	LEVEL OF EXPENDITURE		
	1	2	3
Daily papers.....	\$ 9.00	\$ 9.00	\$ 9.00
Allowances for children.....	23.40	23.40	23.40
Radio fee.....	2.50	2.50	2.50
Picnics and vacations.....	10.00	20.00	40.00
Shows, concerts, etc.....	5.00	15.00	20.00
Church and charity.....	5.00	20.00	30.00
Gifts and hospitality.....	10.00	20.00	30.00
Sports, skating, ball games.....	2.00	3.00	4.00
Scouts and brownies equipment, clubs, lodges, etc.....	5.00	15.00	25.00
Night classes.....		2.00	2.00
Dog tax and pets.....		2.00	2.00
Music lessons.....			10.00
Tobacco, candy, etc.....		16.00	26.00
Car costs.....			365.00
Total per year.....	\$71.90	\$147.90	\$588.90
Total per month.....	5.99	12.33	49.08
Total per week.....	1.39	2.87	11.41

HEALTH SERVICES

Medical and hospital care can be obtained for individuals or families on a monthly premium basis. The following are the monthly premiums for medical care under the plan operated by the Associated Medical Services.

For the subscriber.....	\$2.00 per month
For the first dependent of the subscriber....	1.75 " "
For the second dependent of the subscriber..	1.50 " "
For the third dependent of the subscriber....	1.25 " "
For the fourth and each additional dependent of the subscriber.....	1.00 " "

Thus for a family of five—two adults and three children—the cost will be \$7.50 a month or \$1.73 per week.

DENTAL COSTS

No official survey has been made in Ontario of the cost of dental care. Therefore no specific allowance could be made for it in this budget.

LIFE INSURANCE AND SAVINGS

TABLE 11.—LIFE INSURANCE.

Characteristic individual rates as supplied by insurance company. (For further explanation see pages 1176-77.)

WEEKLY PREMIUMS—LIFE

Age	\$100	\$250	\$500	\$1000	\$1500	\$2000
20.....	.05	.12	.24	.40	.60	.80
25.....	.06	.14	.28	.46	.69	.92
30.....	.07	.16	.32	.50	.75	1.00
35.....	.08	.18	.36	.60	.90	1.20
40.....	.09	.22	.44	.70	1.05	1.40
45.....	.11	.26	.52	.82	1.23	1.64

TWENTY PAYMENT-LIFE

Age	\$100	\$250	\$500	\$1000	\$1 00	\$2000
20.....	.07	.17	.34	.58	.87	1.16
25.....	.08	.19	.38	.64	.96	1.28
30.....	.09	.21	.42	.70	1.05	1.40
35.....	.10	.24	.48	.78	1.17	1.56
40.....	.11	.27	.54	.88	1.32	1.76
45.....	.12	.30	.60	.98	1.47	1.96

TWENTY-YEAR ENDOWMENT

20.....	.12	.28	.56	1.02	1.53	2.04
25.....	.12	.29	.58	1.04	1.56	2.08
30.....	.12	.30	.60	1.06	1.59	2.12
35.....	.13	.31	.62	1.08	1.62	2.16
40.....	.13	.32	.64	1.12	1.68	2.24
45.....	.14	.34	.68	1.18	1.77	2.36

Savings

Lacking any adequate basis for the amount of saving, the committee is allowing the arbitrary sum of \$1.50 per week for a family of five as shown on page 42. This amount will have to cover dental care.

PART II

SHELTER

"The essentials for shelter are those which make life safe, physically, mentally and morally" (Donham—Spending the Family Income). In setting up standards for shelter, these three headings have been kept in mind while dealing with the following factors.

Location

It was considered that the desirable home would be in a district of good moral reputation, free from gangs and rowdiness, and not in close proximity to beer parlours or other detrimental influences. The street would be clean, well-lighted, free from excessive noise, unpleasant odours, and traffic hazards. It would be convenient to churches, schools, libraries, transportation and good recreational centres. It was recognized that while all these points are to be desired, they are not always attainable at present.

Number of Rooms

To develop normal family life, a living room where the family may enjoy itself as a group and where friends may be entertained, is essential. This room may have to be used as a dining-room if the kitchen is very small; but the home falls below standard when it becomes necessary to use either of these rooms for sleeping quarters. Bedrooms should be sufficient in number to allow separate rooms for children of different sexes after they reach the age of six years. The children's bedroom should be separate from that of the parents.

Plumbing and Sanitation

To maintain a standard of cleanliness, there must be adequate plumbing. This requires a sink with running water in the kitchen, and at least a two-piece bathroom, which includes a toilet in good working order. Adequate plumbing facilities contribute more than any other factor in avoiding undue labour and fatigue for the mother.

Construction, Lighting, Ventilation and Heating

Weatherproof construction is necessary and there should be outside windows in every room. A dry basement and a satisfactory unit for heating purposes are also essential.

Safeguards

For the protection of the family from danger and disease, such safeguards as the following are considered necessary: a properly enclosed cupboard for the storage of food to protect it from contamination by flies or insects; a safe play space for the children where they will not be exposed to the danger of playing in streets crowded with traffic; safe, well-lighted stairways; chimneys kept in good repair, and safe stove pipes.

Cost of Shelter

A careful study was made to determine the cost of suitable shelter in the City of Toronto. This was done through the records of the Cost of Living Study, the actual rents paid by 533 other families, with which a social agency worked in 1938, and consultation with real estate agents. The accompanying tables show the rents for different types of shelter.

TABLE 12.—CLASSIFICATION OF 533 HOUSES BY RENTAL IN RELATION TO THE STANDARD.

Classification	RENTAL RANGE—DOLLARS							Total
	11-14	15-19	20-24	25-29	30-34	35-39	40-55	
Met Standard.....	6	14	34	58	43	17	22	194
Slightly Below Standard.....	27	85	77	50	13	3	0	255
Definitely Below Standard.....	11	52	11	9	1	0	0	84
Total.....	44	151	122	117	57	20	22	533

TABLE 13.—SURVEY RESULTS—Range of Rents for Unsatisfactory Houses or Flats.

Number of Rooms	3	4	5	6	7	8	9
Rent.....\$	14-15	20-25	20-25	25-30	30-32	32-35	30-35

TABLE 14.—SURVEY RESULTS—Range of Rents for Satisfactory Houses or Flats.

Number of Rooms	3	4	5	6	7	8	9
Rent.....\$	14-18	20-25	20-33	20-40	22-50	32-44	30-45

Summary

A survey of the income of these families showed that nearly half of them were paying more than 25 per cent of their wages for rent alone. This amount is greatly in excess of the 20 per cent allowed for rent in the usual

budget and it still did not provide satisfactory housing in all cases. Frequently the family sublets part of the house to meet the rent, and this leads to overcrowding and a lack of privacy.

In setting up a standard the aesthetic values—wide streets, trees, shrubs, lawns and gardens were not stressed, but it is recognized that they all add to the desirability of the setting.

NUTRITION

Standards

Several standards are available for adequate nutrition, three of which are outlined below.

Ontario Medical Association

In 1933 a committee appointed by the Ontario Medical Association set up a standard which they considered would provide for development and the maintenance of health. This standard was translated into food lists and menus and still constitutes an excellent guide.

League of Nations

The League of Nations appointed an international committee to establish standards for nutrition. This standard assures nutrition on an optimum level. It has not been translated into food lists for Canada.

Canadian Council on Nutrition

This council was established in 1937 under the Department of Pensions and National Health. It is understood that in the near future the council will publish its standard with food lists, menus and general comments. These will be obtainable from Ottawa.

Plan Followed

Guided by the Canadian Council on Nutrition standard the food lists have been planned to allow as inexpensively as possible for the well-being of the pregnant and nursing mother and her child, for full physical development during childhood, and for maintenance during adult life of that health and strength which the welfare of the state requires from its citizens. Examination of the sample market orders on page 1160 will show that no luxuries have been included. However, these market orders have been supplied to various families who have reported that they provide satisfactory meals.

Family Records

The total amount spent by the 40 families for food represented 30.5 per cent of the total incomes. It was beyond the scope of this study to ascertain the nutritional value of the family dietaries.

CLOTHING

Method of Collecting and Assembling Data

These clothing lists were compiled by a representative committee from children's agencies. One of its members is responsible for clothing approximately 800 children each year. The committee studied the clothing requirements of several agencies whose children lead normal, active lives in foster homes, and whose needs approximate those of children whose clothing is purchased by their own parents. In addition to the information gained through these agencies, the lists were submitted to a group of workingmen's wives and to individual mothers

for comment and pricing. Students visited the larger departmental stores where they obtained the lowest price, the price most usually paid, and the price advised by the head of the department as giving the best value. All of these prices were carefully considered by the committee when making their decision. Records obtained from over 50 families were compared with the original lists and the findings embodied wherever they seemed practical.

Psychological Effect of Clothing

The psychological effect of adequate clothing must be emphasized. The mother who is able to dress becomingly is at a much greater advantage in her community and in her own home. The child whose garments are old-fashioned, or who is shabbily dressed, often becomes the butt of his companions' jests. Children are so sensitive that social adjustment and even school progress may be affected by their appearance.

Factors Influencing Clothing Requirements

Clothing averages are hard to estimate, as they are governed by many factors peculiar to each family. Individual differences affect the wearing quality of any garment. An active child will be harder on his clothes and especially on his shoes. Where there are relatives who can hand down articles outgrown by older children, or where the mother is skilful in mending and making over garments, the cost may be reduced. If the family is large and the household duties too exacting for one person, the mending and making over of garments may be neglected; or should the mother be in poor health she may not be able to supervise the routine care of clothing or keep up the necessary repairs. In preparing these lists, it was taken for granted that the life of all wearing apparel is prolonged by regular repairs and proper cleaning.

Clothing Lists

The following lists are considered an adequate minimum which will allow for a normally active life, while enabling the wearer to take his place in school or community sufficiently well dressed to preserve self-respect. Costs may vary, and ought to be checked twice a year, but these prices should prove a guide for those who wish to estimate clothing expenses.

CLOTHING

TABLE 15.—LAYETTE.

	Number of Articles	Unit Price	Cost
Knitted Jackets.....	2	\$.49	\$.98
Bonnet.....	2	.25	.50
Gowns.....	3	.33	.99
Shirts—silk and wool.....	3	.59	1.77
cotton with sleeves.....	3	.25	.75
Reinforced Vests.....	3	.29	.87
Diapers.....	24	.10	2.40
Soakers.....	3	.39	1.17
Knitted Bootees (pairs).....	3	.23	.69
Shawls.....	1	.99	.99
Bunny Blankets.....	1	.69	.69
Rubber Sheets.....	2	.39	.78
Quilted Crib Pad.....	1	.29	.29
Safety Pins (doz.).....	2	.13	.26
			13.13

TABLE 16.—BABY, SIX MONTHS TO END OF FIRST YEAR.

Articles	Number of Articles	Unit Price	Years' Wear	Cost per Year
<i>Outer Garments</i>				
3-piece warm outer clothing.....	1	\$2.95	2	\$1.48
Woolly Jackets.....	2	.49	1	.98
Dresses or Rompers.....	4	.39	1	1.56
<i>Under Garments</i>				
Shirts—cotton.....	3	.25	2	.38
Soakers.....	3	.39	1	1.17
Diapers.....	12	.10	2	.60
Nightgowns.....	3	.33	1	.99
<i>Footwear</i>				
Shoes (first step).....	1	1.05	1	1.05
Stockings.....	4	.29	1	1.16
<i>Accessories</i>				
Safety Pins—Doz.....	3	.13	1	.39
<i>Miscellaneous</i>				
Rubber Sheet.....	1	.39	1	.39
				10.15

CLOTHING
TABLE 17—Boys and Men.

Article of Clothing	Boy 4-6				Boy 7-9				Boy 10-12				Boy 13-14				Boy 15-16				Boy 17-18				Working Man				Aged or Incapacitated Man				
	No. of Articles	Unit Price	Years' Wear	Cost per Year	No. of Articles	Unit Price	Years' Wear	Cost per Year	No. of Articles	Unit Price	Years' Wear	Cost per Year	No. of Articles	Unit Price	Years' Wear	Cost per Year	No. of Articles	Unit Price	Years' Wear	Cost per Year	No. of Articles	Unit Price	Years' Wear	Cost per Year	No. of Articles	Unit Price	Years' Wear	Cost per Year	No. of Articles	Unit Price	Years' Wear	Cost per Year	
<i>Outer Garments</i>																																	
1 Warm Outer Clothing, or Coat	1	4 95	2	2 48	1	4 95	2	2 48	1	5 95	2	2 98	1	6 45	2	3 23	1	7 95	2	3 98	1	11 95	2	5 98	1	15 00	4	3 75	1	15 00	5	3 00	1
2 Mackinaw or Sweater Coat	1	98	1	98	1	98	1	98	1	98	1	98	1	98	1	98	2	79	1	1 38	2	79	1	1 38	1	1 75	2	88	1	69	1	69	2
3 Beret, Helmet or Cap or Hat	1	35	1	35	1	49	2	25	1	49	1	49	1	49	1	49	2	79	1	1 38	2	79	1	1 38	1	1 75	2	88	...	...	...	4	
4 Pullovers	2	59	1	1 18	2	79	1	1 58	2	99	1	1 98	2	1 49	1	2 98	2	1 79	1	3 58	2	1 49	1	2 98	1	1 49	2	75	...	...	...	5	
5 Cotton Suits	2	59	1	1 18	2	79	1	1 58	2	99	1	1 98	2	1 49	1	2 98	2	1 79	1	3 58	2	1 49	1	2 98	1	1 49	2	75	...	...	...	6	
6 Overalls or Playsuits	2	59	1	1 17	1	95	1	95	2	1 47	1	2 94	2	1 49	1	2 98	2	1 79	1	3 58	2	1 49	1	2 98	1	1 49	2	75	...	...	...	7	
7 Knickers, Shorts or Breeches	2	59	1	1 18	2	79	1	1 58	2	99	1	1 98	2	1 49	1	2 98	2	1 79	1	3 58	2	1 49	1	2 98	1	1 49	2	75	...	...	...	8	
8 Extra Long Pants	2	59	1	1 18	2	79	1	1 58	2	99	1	1 98	2	1 49	1	2 98	2	1 79	1	3 58	2	1 49	1	2 98	1	1 49	2	75	...	...	...	9	
9 Summer Slacks	2	59	1	1 18	2	79	1	1 58	2	99	1	1 98	2	1 49	1	2 98	2	1 79	1	3 58	2	1 49	1	2 98	1	1 49	2	75	...	...	...	10	
10 Cotton Jersey or Sweat Shirts	2	59	1	1 18	2	79	1	1 58	2	99	1	1 98	2	1 49	1	2 98	2	1 79	1	3 58	2	1 49	1	2 98	1	1 49	2	75	...	...	...	11	
11 Boys' Blouses, Dress Shirts, Work Shirts	2	59	1	1 18	2	79	1	1 58	2	99	1	1 98	2	1 49	1	2 98	2	1 79	1	3 58	2	1 49	1	2 98	1	1 49	2	75	...	...	...	12	
12 Suit—Extra Trousers	2	59	1	1 18	2	79	1	1 58	2	99	1	1 98	2	1 49	1	2 98	2	1 79	1	3 58	2	1 49	1	2 98	1	1 49	2	75	...	...	...	13	
<i>Under Garments</i>																																	
13 Combinations	2	79	1	1 58	2	79	1	1 58	3	79	1	2 37	2	79	1	1 58	2	98	1	1 96	2	98	1	1 96	2	98	1	1 96	2	98	1	1 96	14
14 Summer Vests	2	79	1	1 58	2	79	1	1 58	3	79	1	2 37	2	79	1	1 58	2	98	1	1 96	2	98	1	1 96	2	98	1	1 96	2	98	1	1 96	15
15 Summer Shorts	2	79	1	1 58	2	79	1	1 58	3	79	1	2 37	2	79	1	1 58	2	98	1	1 96	2	98	1	1 96	2	98	1	1 96	2	98	1	1 96	16
16 Waists (Flannel lined)	2	29	1	58	2	69	1	1 38	2	69	1	1 38	2	69	1	1 38	2	65	1	1 30	2	65	1	1 30	2	65	1	1 30	2	65	1	1 30	17
17 Pyjamas	2	59	1	1 18	2	69	1	1 38	2	69	1	1 38	2	69	1	1 38	2	65	1	1 30	2	65	1	1 30	2	65	1	1 30	2	65	1	1 30	18
<i>Footwear</i>																																	
18 Shoes or Boots	3	1 59	1	4 77	3	1 99	1	5 97	3	2 98	1	8 94	3	2 98	1	8 94	3	2 98	1	8 94	3	2 98	1	8 94	3	2 98	1	8 94	3	2 98	1	8 94	19
19 Scampers or Running Shoes	1	1 00	1	2 00	2	1 00	1	2 00	2	1 25	1	2 50	2	1 25	1	2 50	2	1 49	1	2 98	1	1 49	1	2 98	1	1 49	1	2 98	1	1 49	1	2 98	20
20 Rubbers or Overshoes	1	45	1	45	2	49	1	98	2	49	1	98	1	69	1	69	1	69	1	69	1	69	1	69	1	69	1	69	1	69	1	69	21
21 Golf Hose, Winter or Work Hose	4	29	1	1 16	4	39	1	1 56	4	39	1	1 56	4	39	1	1 56	4	39	1	1 56	4	39	1	1 56	4	39	1	1 56	4	39	1	1 56	22
22 Summer or Dress Hose	3	15	1	45	3	19	1	57	3	19	1	57	3	19	1	57	3	25	1	75	3	25	1	75	3	25	1	75	3	25	1	75	23
23 House Shoes	3	15	1	45	3	19	1	57	3	19	1	57	3	19	1	57	3	25	1	75	3	25	1	75	3	25	1	75	3	25	1	75	24
<i>Mittens or Mitts or Gloves</i>																																	
24 Mittens or Mitts or Gloves	2	35	1	70	2	35	1	70	2	35	1	70	3	35	1	1 05	3	35	1	1 05	1	95	1	95	2	95	1	1 90	1	95	2	45	25
25 Handkerchiefs	2	10	1	20	4	2 5	1	10	6	2 5	1	15	6	2 5	1	15	6	2 5	1	15	12	65	1	65	12	10	1	1 20	6	10	1	60	26
26 Garters	2	25	1	50	1	15	1	15	1	15	1	15	1	15	1	15	1	15	1	15	2	25	1	25	1	25	1	25	1	25	1	25	27
27 Bathing Suit	1	95	2	48	1	95	2	48	1	95	2	48	1	95	2	48	1	95	2	48	1	95	2	48	1	95	2	48	1	95	2	48	28
28 Ties	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	29
29 Socks	1	29	1	29	1	29	1	29	1	29	1	29	1	29	1	29	1	29	1	29	1	29	1	29	1	29	1	29	1	29	1	29	30
30 Bras	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	1	25	31
<i>Hair Cuts</i>																																	
31 Hair Cuts	6	25	1	1 50	9	25	1	2 25	9	25	1	2 25	9	25	1	2 25	12	25	1	3 00	12	40	1	4 80	12	40	1	4 80	6	40	1	2 40	32
32 Shoe Repairs—Cleaning—Sudries																																	
				27 02				31 18				37 02				30 97				53 14				60 79				61 81				30 36	

CLOTHING

TABLE 18.—Women and Children.

CLOTHING

TABLE 19.—PERCENTAGE DISTRIBUTION OF EXPENDITURE IN MINIMUM CLOTHING LISTS in Tables 17 and 18.

Group	Foot Wear	Hose	Outer Coats Sweaters	Dresses Blouses Skirts Suits	Trousers Suits Overalls Shirts	Under- wear Night wear	Head- wear	Ties Gloves H'dkfs. etc.	Cleaning Personal Care etc.
Boys and Girls 2-4.....	24	10	38	14	..	13	..	2	..
Boys 5-6.....	35	6	17	..	16	12	1	7	7
Boys 7-9.....	35	7	13	..	19	9	1	6	9
Boys 10-12.....	38	6	13	..	19	10	1	6	7
Boys 13-14.....	34	5	15	..	19	10	1	7	8
Boys 15-16.....	28	4	14	..	28	9	3	6	8
Boys 17-18.....	22	4	20	..	24	9	3	7	11
Men.....	19	4	12	..	32	11	2	9	11
Girls 5-6.....	39	7	20	15	..	9	1	4	6
Girls 7-9.....	28	8	13	25	..	13	2	6	7
Girls 10-12.....	25	6	17	25	..	11	3	6	8
Girls 13-16.....	22	7	16	21	..	13	3	7	11
Girls 17-18.....	19	9	16	19	..	13	3	4	18
Women.....	15	5	16	18	..	22	2	4	18

The amount allowed for clothing in these Lists amounts to approximately 15% of the total budget.

TABLE 20.—PERCENTAGE DISTRIBUTION OF EXPENDITURE AS SHOWN BY FAMILY RECORDS.

Group	Foot Wear	Hose	Outer Coats Sweaters	Dresses Blouses Skirts Suits	Trousers Suits Overalls Shirts	Under- wear Night wear	Head- wear	Ties Gloves H'dkfs. etc.	Cleaning Personal Care etc.
Boys and Girls 2-4.....	32	11	19	6	12	13	2	2	3
Boys 5-6.....	33	9	18	..	17	11	3	3	6
Boys 7-10.....	36	12	12	..	21	7	3	3	6
Boys 11-14.....	36	8	7	..	31	6	2	2	9
Boys 15-18.....	29	9	14	..	29	6	4	4	6
Men.....	21	8	10	..	30	7	4	3	16
Girls 5-6.....	44	44	13	13	..	12	1	2	2
Girls 7-10.....	34	11	20	14	..	10	3	4	3
Girls 11-16.....	28	13	18	20	..	10	4	4	4
Girls 17-18.....	19	12	9	27	..	14	5	5	9
Women.....	19	13	11	25	..	10	7	3	13

The total amount spent on clothing as shown by 40 families' records represented 7.4% of the total incomes.

OPERATION

Items in Operation

Operation of the home includes the cost of the necessary utilities such as heat, light and water; labour saving appliances; household articles; new furniture or furnishings for the improvement of the home; and the replacing of household equipment.

Standard

The committee found it difficult to establish any definite standard for operating costs since the amount for individual items in this division of the budget will vary greatly in each home. However they felt that a reasonable degree of convenience and comfort should be provided for the household.

Assembling Data

The committee secured figures for goods and services from the electric, gas, coal and ice companies, and the Toronto Waterworks. After a careful consideration of the records kept by families, and a comparison of them with the figures supplied by the above companies, the table on page 12 was compiled. The committee agreed that it represented a very moderate expenditure for each item, and would only cover the cost of a minimum degree of convenience and comfort.

Record of Forty Families

Table 21 shows the range of expenditure for various items in operation within which all but a very few families lay. The ranges are, however, so wide as to preclude any general conclusions.

TABLE 21.—USUAL RANGE OF YEARLY EXPENDITURE FOR DIFFERENT ITEMS—Forty Family Records.

Fuel	Gas	Electric Power	Water	Ice	Tele- phone	Cleaning	Laundry	Carfare	Replac- ments New Articles
\$50-100	20-40	10-25	5-15	5-15	30-40	10-20	1-10	30-50	1-25

RATES FOR GOODS AND SERVICES IN TORONTO

TABLE 22.—RATES FOR ELECTRICITY*

Appliance	Cost per hour Cents	Estimated use per day	Estimated use per week	Time per month	Total Cost Cents
Lamp (60-watt).....	.100	4 hrs.	....	120 hrs.	12
(100-watt).....	.167	4 hrs.	....	120 hrs.	20
Iron.....	1.0	....	5 hrs.	20 hrs.	20
Washing Machine.....	1.0	....	1½ hrs.	6 hrs.	6
Refrigerator.....	.1	1.8 hrs.	....	540 hrs.	54
Toaster.....	.8	1.3 hrs.	....	10 hrs.	8
Fan.....	.333	2 hrs.	....	60 hrs.	19.9
Vacuum Cleaner (Hand).....	.333	....	2 hrs.	8 hrs.	2.6
Vacuum Cleaner.....	.667	....	2 hrs.	8 hrs.	5.3
Curling Iron.....	.043	1.6 hrs.	....	5 hrs.	0.2
Coffee Percolator.....	.667	1.6 hrs.	....	5 hrs.	3.3
Clock.....	.005	24 hrs.	....	720 hrs.	3.6
Stove.....	¾c. per per	son, per mea	l, using oven.		

Rates for electricity may be higher outside Toronto.

The time during which these appliances are in operation will vary greatly in different homes.

* Average bill under careful management with electric stove and oven, and several other appliances is about \$3.50 per month, including light. Bill for light only, \$1 up per month.

TABLE 23.—RATES FOR GAS.

Top Burners.....	2¢ each per hour
Oven (Approximate Estimate) ..	2½–2⅔¢ per hour
Refrigerator.....	.80¢ per month (average)
	3¢ per day (low temperature)

TABLE 24.—COAL PRICES.

Hard Coal.....	\$12.50 per ton
Pea Coal.....	11.25 per ton
Pocohontas.....	10.50 per ton
Coke.....	10.00 per ton

TABLE 25.—WATER RATES.

Each Room (service charge).....	\$.65 per year
Sinks.....	1.25 each per year
1 pair Laundry Tubs.....	1.25 each per year
Single or additional Tubs.....	.75 each per year
Bath.....	1.25 each per year
Toilets.....	2.00 each per year
Basins.....	1.25 each per year
Automobiles on premises.....	.75 each per year
Electric Washing Machine.....	Free
Lawn Hose.....	1.00 up to 500 sq. ft.
	1.25 up to 1000 sq. ft.
	1.75 up to 2000 sq. ft.

These rates may vary outside Toronto.

ADVANCEMENT AND RECREATION

The Establishment of a Standard

In addition to supplying the material needs of a family, the income should allow a reasonable amount of money for advancement and recreation. This enables the individual to develop resources within himself for improvement. It has been difficult to arrive at a suitable allowance for this section of the family budget as there are no established bases as in food, clothing and shelter. Opinions vary greatly as to what constitutes legitimate expenditure, but it should be recognized that the extent to which a people can satisfy its normal desire for advancement and recreation is a measure of a country's prosperity, and its people's well-being.

Expenditures Shown by Records of Families

The lower incomes show very little expenditure for sports, vacations or education. On the whole, expenditure for the different divisions of recreation and advancement was very erratic, showing the wide variation of opinion as to relative values in these areas.

Careful records of the expenses of a car show that \$1 a day is the least that can be allowed for average driving and depreciation. This frequently is reduced by a man doing his own repairs, and by contributions from those who share in transportation.

Attention should be drawn to the amount spent on tobacco, wine and beer. With these records and a knowledge of family habits as a basis, at least \$30 a year would be added for these items.

Suggested Levels of Expenditure

On page 1163, three different totals have been suggested as expenditure for advancement and recreation. This table was formulated after a study of all available material. While the total amount may remain constant, the individual amounts for the items within each division will vary to suit the particular family.

Various Costs in Toronto

Daily papers	\$9 a year.
Weekly papers	\$5 a year.
Magazines	\$1 to \$3 a year.
School books	39¢ for a primer to \$10 for books in collegiate (a year)
Night classes—Technical school...	\$2 to \$5 a year.
Workers' Educational Association.	\$2 a year.
University Extension	\$5 to \$10 a year.
Art classes	\$1 for supplies, if recommended to the Grange.
Music lessons—piano	Free during school hours. 25¢ a lesson after school. 50¢ to \$10 a lesson for private teachers.
Singing lessons, violin, dancing...	50¢ to \$5 a lesson for private teachers.
Vacations—	
Camps—fresh air	\$8 for 12 days, including transportation.
Y.M.C.A. Three camps	\$7, \$7.50 and \$15 a week.
Cottages	\$30 a month and up.
Picnics	25¢ car fare for each adult to the Island.
Movies, theatres, concerts.....	10¢ and up.
Hockey and ball games.....	50¢ and up.
Sports equipment	5¢ for rubber ball to \$1.25 for a baseball. 39¢ to \$16 for bats, racquets, skates, etc.
Dues and fees.....	2¢ a week to \$3 and \$4 a year for Scouts, Y., etc. \$5 to \$50 a year for adults.
Union dues	\$10 to \$60 a year.
Children's weekly allowances—6-7 years, 5¢; 8-11 years, 15¢; 12-16 years, 25¢.	

TABLE 26.—RANGE OF ANNUAL EXPENDITURES ON ADVANCEMENT AND RECREATION—40 SURVEY FAMILIES

Item	No. Expendi- ture	c. 10-\$5	\$ 5-10	\$ 10-20	\$ 20-30	\$ 30-40	\$ 40-50	\$ 50-100	\$ 100-200	\$ 200-400	\$ 400-600	Total No. of Families
Education, Books, Papers, Magazines.....	0	1	2	14	9	7	2	4	1	..	..	40
Vacation.....	11	3	3	8	2	2	4	5	1	1	..	40
Car Costs.....	29	..	..	..	..	..	1	3	5	1	1	40
Radio, Shows, Entertainment.....	4	5	11	11	4	..	2	1	2	..	..	40
Sports.....	17	15	8	..	..	..	..	..	..	..	..	40
Tobacco, Candy, Beer, Wine, etc.....	1	6	4	10	4	4	4	6	1	..	..	40
Gifts, Hospitality.....	1	3	4	9	5	4	2	9	3	..	..	40
Children's Allowances.....	10	6	4	8	3	3	..	5	1	..	..	40
Pets.....	25	12	3	..	..	..	..	..	..	..	..	40
Club Fees, Dues, etc.....	14	14	5	3	1	2	..	1	..	..	..	40
Church, Charity.....	2	11	5	6	6	7	1	2	..	..	..	40

TABLE 27.—PERCENTAGE DISTRIBUTION OF ACTUAL AND ESTIMATED EXPENDITURES.

ITEM	Actual Percentage Expenditures—40 Families	Estimated Percentage Expenditures—50 Family Estimates—previous year
Education.....	12	12
Vacation.....	13	10
Car Costs.....	19	26
Radio, Shows, Entertainment.....	8	6
Tobacco, Candy, Wine, Beer.....	12	15
Sports.....	1	3
Children's Allowances.....	9	6
Pets.....	1	1
Clubs, Dues, Fees.....	3	5
Church, Charity, Gifts, etc.....	23	16

HEALTH SERVICES

In order to determine what provision should be made in a family's budget for the care of the health of its members, the committee felt that they should secure information, first, as to the incidence of illness and second, as to the cost of treatment.

Methods of Securing Information

The committee corresponded with sources from which data might be obtained. A questionnaire was drawn up and answered by the superintendents of ten Toronto hospitals giving the minimum charges for diagnosis and treatment of patients in all branches of the hospital. A second questionnaire was drawn up to be filled in by the families taking part in this survey. On this was recorded the illnesses suffered over a stated time, and the total expenditure involved.

Incidence of Illness

The correspondence revealed that apparently no data had been collected in Canada which could be of assistance in determining the incidence of illness; nor would conclusions be warranted from the limited number of records kept by families. So far as the committee could determine at present, the incidence of illness can only be estimated in terms of cost as given by the Associated Medical Services. After two years' experience, during which time a moderately severe epidemic occurred, the Associated Medical Services have found that their schedule of rates has proven adequate to take care of necessary reserves as well as the actual cost.

Cost of Treatment

The cost as given by the Associated Medical Services is accepted in this study as the nearest possible estimate to cover the cost of medical, surgical and nursing services, and hospital fees. This plan, based upon statistics from most of the countries of the world, and designed to provide medical service to the average individual or family, depends on the monthly payment of stated sums of money. The service provides care by the family physician, a surgeon if necessary, adequate nursing and hospitalization at a rate of \$3.50 per day with special nurses if indicated. To this would have to be added the cost of medicine, and other equipment for patients not in hospital, and house-keeping services required in the event of the illness of the mother of the family.

*Medical Fees Based on Minimum Schedule as Set Out by
The Ontario Medical Association.*

1. Office consultations	\$ 2.00
2. Day visits to the home.....	3.00
3. Visit to patient in hospital.....	2.00
4. Tonsils and Adenoid operation.....	25.00
5. Uncomplicated confinement fee.....	25.00
6. Health examination with or without certificate.....	5.00
7. A fee of \$100 may be regarded as an approximate charge for major operations.	

Nursing Care

For non-hospitalized illness, graduate nursing service is available through:

1. Special duty nurse—8 hour service at \$5; 12 hour at \$6, 24 hour at \$7.
2. Visiting nursing service on a visit basis is given by the Victorian Order of Nurses and the St. Elizabeth Visiting Nurses Association. This service provides one or two visits daily as required at a maximum cost of \$1 per visit. Fees are adjusted in relation to income and other factors. It also provides service for confinements, minor operations, and an hourly appointment service.

Homemaker Service

Illness, particularly of the mother, necessitates provision for a home-maker. This service can be secured through the Visiting Homemakers Association at a fee adjusted on the basis of income and other related factors.

Hospital Charges

The daily rate for public ward care is \$1.75 or \$2.35, according to the patient's financial position. Extra charges are made for the operating room, labour room, anæsthetic, nursery, X-rays, laboratory tests and physiotherapy. These charges vary according to the patient's financial status as well as to the extent of the treatment, and the time involved in carrying it out. The daily rate in the Isolation Hospital is \$1.75 with no extra charges. The utilization of hospital public ward care precludes the service of the family physician in all except one hospital. The patient desiring to retain the services of the family physician and requiring hospitalization would have to pay semi-private rates, which are from \$3 to \$6 daily.

Clinic Service is available at the out-patient departments of the hospitals, and eligibility is determined by consideration of the income and obligations of the individual. Fees ranging from 35 cents to 50 cents per visit.

Convalescent Care is available at the Hillcrest Convalescent Home and at the St. John's Convalescent Home at the public ward rate of \$1.65 a day. Thistletown, County Branch of the Hospital for Sick Children, provides after

care where required for their patients at public ward rates. The Preventorium, Imperial Order of the Daughters of the Empire, provides care for children, especially those threatened with tuberculosis. They are admitted through the Hospital for Sick Children or a tuberculosis clinic of the Ontario Department of Health.

Tuberculosis and Mental Diseases. The cost of illness from tuberculosis and mental diseases is beyond the ability of the average family to finance, and is met by the state to an extent greater than in other illnesses.

Dental Care. No information is available regarding the incidence of dental defect or the cost of dental care.

Summary

From the records it was found that the actual amount spent on medical nursing and dental care (including medicines) averaged 3 cents per day per capita. This represented 2.5 per cent of the average income. It must be borne in mind that the 3 cents per day per capita that was found to be actually spent on the preservation of health, would have been greater had not clinics, reduced rates, etc., been utilized in over a third of the cases.

INSURANCE AND SAVINGS

Standard

No definite statement seems possible as to the amount of insurance a family should carry or the percentage of the income to be saved. However, the following points may be considered.

Insurance

All companies consulted, agreed that rightly or wrongly, families have no sense of security unless provision is made for funeral expenses. It is suggested that the decision as to insurance should be made in relation to the plane on which the father's wage has enabled the family to live. At the lowest level insurance would cover funeral expenses, pay current bills and carry the family for two or three months until plans could be made.

Savings

For peace of mind a savings account is necessary. Again there is no established opinion on which to base the scale. If medical insurance is carried the amount may be lower than it would otherwise need to be. It is considered desirable that in anticipation of marriage, an amount equal to at least one-half of the yearly salary should be in the bank; and in the first years of marriage the savings should be as large as possible. One dollar and a half a week for the savings account might be considered a minimum later on. Provision for old age seems entirely reasonable, but is at present out of the question on even the best wages available for working men.

Family Records

So many factors were involved in the records of savings kept by families that they seemed of little value as an indication of what is actually being done. Nineteen out of forty had no savings account at all. Insurance in some form was carried by nearly all families.

CLASSES OF LIFE INSURANCE POLICIES

There are three classes of life insurance policies:

(1) Industrial, (2) Ordinary, and (3) Group.

(1) Industrial life insurance is insurance sold in amounts not exceeding two thousand dollars providing for the payment of premiums at fortnightly or weekly intervals, or, if the premiums are usually collected in the home, at monthly intervals.

(2) Ordinary life insurance is insurance usually sold in amounts of \$1,000 or more on which premiums are payable annually, semi-annually, quarterly, or monthly.

(3) Group life insurance is blanket insurance on the lives of a group of people—usually the employees of one employer. Only one policy is issued—to be retained by the employer—but each employee insured receives a certificate from the insurance company showing the benefits to which he is entitled. Premiums are payable in some cases entirely by the employer and in other cases by the employer and the employees jointly.

PLANS OF LIFE INSURANCE POLICIES

Life insurance policies differ as to conditions under which the amount of insurance becomes payable and the length of time for which premiums are to be paid. The following are the principal plans:

Whole Life Plan

The amount of insurance is payable only at death and premiums are required throughout.

Limited Payment Life Plans

The amount of insurance is payable at death and premiums are payable either for some specified period such as 20 or 30 years or until the insured attains some specified age such as 60 or 65. Thus a "Twenty Payment Life" policy is one under which the insurance is payable only at death and premiums are required for twenty years.

Endowment Plans

The amount of insurance is payable at the end of a stated period of time when the policy is said to "mature," or at the prior death of the insured. Premiums are required until the insurance becomes payable. Thus the "Twenty Year Endowment" policy is one under which the insurance is payable at the end of twenty years or at the prior death of the insured. Similarly an Endowment at Age 60 is a policy payable at the time the insured attains age 60 or at prior death.

Term Plans

The amount of insurance is payable only in case of death within the period named in the policy and premiums are payable during the same period. Thus a "Ten Year Term" policy is one under which the insurance is payable only in case the insured dies within ten years of the time the policy was taken out.

WEEKLY BUDGET FOR FAMILY OF FIVE

MAN, WOMAN, BOY 6, GIRL 10, BOY 12—Compiled from the tables at the first of the book, in each case using the lowest cost listed.

ITEM		Cost	Per Cent
RENT.....		\$5.81	20.5
FOOD.....		8.00	28.2
CLOTHING.....			
man.....	1.26		
woman.....	1.18		
B. 6.....	.52		
G. 10.....	.77		
B. 12.....	.73		
	4.46	4.46	15.7
OPERATION.....			
gas.....	.58		
coal.....	1.81		
light.....	.35		
water.....	.20		
ice.....	.50		
cleaning.....	.35		
special cleaning.....	.10		
car fare.....	.75		
new articles.....	.48		
	5.12	5.12	18.1
ADVANCEMENT AND RECREATION.....		1.39	4.9
ASSOCIATED MEDICAL SERVICES.....		1.73	6.1
INSURANCE.....			
20 Payment Life (started at 20 years of age).....		.34	
SAVINGS.....		1.50	6.5
TOTAL.....		\$28.35	100.0

CONCLUSION

The conclusions from this study would indicate that a minimum of \$28.35 a week would be required to cover the bare essentials for health and self-respect for a family of five with two adults, a boy aged 6, a girl aged 10, and a boy aged 12. The committee feel that if this budget is studied, it will be generally agreed that no unreasonable expenditure is included and that many limitations are assumed.

The food would have to be planned, purchased and cooked with the greatest care, since the money allowed necessitates expert management on the part of the housewife.

The amount set aside for advancement and recreation is meagre and includes no alcoholic beverages or tobacco. It represents 4.9 per cent of the total income, while the forty family records showed that the usual amount spent by families on wages up to \$29 was 6-8 per cent with very few extravagant items listed.

It will be noted that no telephone has been included in the budget, and that only the barest necessities will be covered by the figure for replacements and new articles in the operating of the home.

No provision has been made for maintenance in old age, and the savings are small when it is considered that they would have to meet all current emergencies as well as dental care.

Comparisons available indicate that \$28.35 is far above prevailing wages; for example, a survey of 398 wage-earning families given service by one of the social agencies in 1938 reveals that 305 were earning below \$22 a week with 116 of these between \$15 and \$19. Figures obtained at the time of the 1931 census showed that of 448,000 Ontario families with male heads, the earnings in 67 per cent were less than \$1,500 per year. It would appear to be evident that the earnings of a substantial part of the population are below the level suggested as desirable.

Pursuant to adjournment, the hearing was resumed on Thursday, June 17, at 2.30 p.m.

Mr. GORDON HENDERSON (Certain Industries in the City of Hamilton and Neighbouring Areas): Mr. Chairman, I have been asked to read this brief to the board, and to explain that it is being presented on behalf of forty industries in the city of Hamilton and neighbouring districts. The number of employees that the forty industries are employing and representing will be approximately 30,500; generally speaking it will be higher than that figure.

The CHAIRMAN: Can you furnish us with a list of the names of the companies?

Mr. HENDERSON: My instructions are not to furnish the names, in view of the fact that it might be injurious to the companies to divulge these names, labour being militant. As a matter of fact I do not know the names, so that I cannot furnish them to the Board.

The CHAIRMAN: All right.

Mr. HENDERSON: In any event I will pass the request on to the persons instructing me, in case they may change their minds.

Introduction

This brief is submitted on behalf of a large number of industries located in Hamilton and other industrial areas now engaged primarily in wartime production.

War and war requirements have led these industries into new and expanded fields of production and increased the number of employees required by the individual industries by numbers ranging from a substantial percentage up to in some cases several hundred per cent. Upon the cessation of the war these industries will, it is expected, drop back again into their normal lines of endeavour and to mere normal employment.

The present can in consequence be considered only in the light of abnormal wartime expansion; the future must be considered in the light of anticipated normal conditions or of possible depression with employment falling back from peak wartime pinnacles to low depression levels.

Part I. In the Field of Labour Relations

Wartime Period—Causes

Unfortunately during the war years there has been a great deal of so-called labour disturbance and unrest culminating in many instances in strikes at a time when the Nation is least able to afford to have internal strife. Normally there should be no industrial strife and this is particularly so during wartime. Where industrial strife does develop it must arise from some specific reason or cause and it now behooves the people and the government of this country to beset themselves to ascertain the reasons for such disturbance and to eliminate or cure them whatever they may be. It is elementary that before the causes can be eliminated those causes must first be ascertained and that it is only after ascertainment that elimination or cure can be effected through the medium of statutory enactment or otherwise.

The situation created by the war might readily be suspected of providing the answer to wartime labour unrest. The prosecution of the war brought with it, as a national emergency, the necessity of vastly increased and accelerated war production and involved an increased demand for labour far in excess of the country's normal capacity and requirements. Thousands of Canadians were induced to leave their normal peace-time occupations and join the great army of industrial workers producing to meet the country's essential wartime needs.

This condition gave the workers an opportunity if they wished to take advantage of it to seize upon the country's desperate needs to exact, week by week and month by month, higher and higher wages regardless of where that program might ultimately lead or what national danger or damage might ensue and this despite the government's constant efforts to educate the people to an understanding of the destructive power of uncurbed inflation and the national necessity of maintaining a controlled price ceiling applicable to labour and to commodities alike.

Fortunately the great body of the workers of the Dominion refused to seize upon this situation for their own selfish ends. It is estimated that more than 20 out of every 25 workers in the Dominion of Canada either have their own independent unions, associations or other means of collective action through the medium of employee representation plans, plant councils, works councils and other forms of organizations of their own or do not belong to any organization at all. This great body of workers has given no indication of disturbance or unrest within its ranks or of any desire on its part to seize upon the country's needs in order, at the risk of uncontrolled inflation to seize higher and higher wages for themselves. An examination of the records of the Department of Labour discloses that this preponderant majority has not been responsible for or the instigator of either the copious stream of applications for conciliation boards or the constantly resurgent tide of illegal strikes which have so dangerously encumbered and hampered the essential war production of the Dominion. The question consequently arises—Wherein does the trouble lie?

Less than five out of every twenty-five.

The CHAIRMAN: Five out of every twenty-five?

Mr. HENDERSON: That figure, I am informed, is based on a survey which has been made in the United States by the New York Herald Tribune, and it is recognized they are certainly more unionized than in Canada. I understand that figure has not been challenged in any way. In Canada, Professor Cameron of Queen's University has made a report which is published, and his figures are on a corresponding basis. Those figures have not been challenged either.

Mr. LALANDE: It is about twenty per cent?

Mr. HENDERSON: Yes, I understand so. It is hard to come to a degree of accuracy, because the unions have not released the figures to be calculated.

Workers in the Dominion are members of unions affiliated with the Canadian Congress of Labour or the Trades and Labour Congress of Canada. Of this small minority a substantial number are members of unions affiliated with the Canadian Congress of Labour through the medium of the C.I.O. An examination of the records of the Department of Labour discloses that by far the vast majority of the applications made for conciliation boards and of the strikes fomented or called in Canada in the wartime period have been made or fomented or called by the C.I.O. and it has been frequently stated that 87 per cent of the man-hours lost to Canadian industry and the Nation and the war effort through strikes were lost through the activities of the C.I.O. unions representing only 1.4 per cent of the workers of this Dominion. These facts alone constitute

a national menace but when it is realized that war industries and war industries alone have been the prime target for strike incitement by that union the situation becomes one of imminent national peril.

The prime underlying cause of the industrial strife and accompanying strikes which have occurred in the war industries of Canada can be laid flatly on the doorstep of the C.I.O. and its organizers and their desire for seizure of power—labour, monetary and political.

Wartime Period—Practices

Practices by which they manage to receive power.

The question naturally arises: How can such a mass of disturbance and disruption be created in the critical times of war by a small militant pressure group?

The answer does not seem to lie in faulty legislation or lack of legislation but rather in the maladministration of the existing legislation and in the fact that it has been permitted to be used as an instrument of disruption, disturbance and coercion and for purposes for which it was never intended and which it does not in fact or law authorize or permit.

The method of creating and fomenting labour unrest and wartime strikes invariably follows the same identical pattern. The first step consists of a deliberate programme designed by certain labour agitators to take advantage of the country's imperative labour needs and to sow dissension and unrest by presenting to the workers false promises of the union's capacity to demand and exact higher and higher wages despite existing legislation and regardless of the resultant danger of disastrous inflation and the disruption of the entire economic structure.

Fortunately only a very minor number of workers, estimated in many cases at less than five per cent have fallen victim to this guile; but that small number have, through their leaders, succeeded in creating a dangerous and powerful minority pressure group and a condition inimical to the country's continued wartime production.

The second step consists of seizing upon the Industrial Disputes Investigation Act and the complementing Orders in Council as a means of creating industrial disturbance and strife and of fomenting and leading up to what are in most cases outright illegal strikes in direct defiance of the law.

In order to ascertain the technique employed in the improper utilization of the Act and Orders in Council it is necessary to examine the statute itself and its history.

The Act was passed in 1907 and was restricted in its application to mining companies and agencies of transportation or communication and public service utilities. It was also restricted specifically as to the nature of the matters which should come within its purview and entitle the making of an application for and the granting of a board.

Except for the mining provisions the corporations intended to be covered by the Act were the great national public utility corporations such as the railroads and steamboat lines and which were at that time highly unionized and operating under what was then called "union agreements" and which are now so frequently referred to as collective bargaining agreements. An examination of the statute indicates clearly that it was the intention of the Act that it should be utilized for the purpose of conciliation and settling disputes within the purview of existing union agreements. It clearly never was the intention that it should be made the instrument for creating disputes the basis for

demanding a board of conciliation designed to force the employer coercively into bargaining collectively with a union claiming to represent a portion only of the employees, nor was it ever intended that the Act should be utilized as an instrument for the seizure of power.

The Act worked effectively until by reason of war conditions it was extended in its application to include a vast number of non-unionized war industries. The Act was never intended to or designed to embrace such a vast non-unionized field and the moment it was extended adroit organizers with an eye to the main chance and regardless of national needs seized upon it as a weapon of tremendous disruptive power.

At first their activities were coloured by alleging the existence of disputes between employer and employee which might be conceived as bringing them within the provisions of the Act, as for example disputes with relation to existing wage rates and wage scales and to these disputes they tacked on a demand for what they first called union recognition and then adroitly developed and extended into sole and exclusive bargaining rights.

The CHAIRMAN: I suppose that the opinion of the Department of Justice in that connection would have some bearing.

Mr. HENDERSON: That opinion may have caused the trouble, but actually that opinion may be changed by appropriate legislation amending the Act to achieve what was originally intended. It is our submission that the Department of Justice, if they did follow it, are wrong. I do not know whether it was ever tested by the courts. We think it is improper to follow a ruling of this kind. The Department of Justice, if they did give such a ruling, were not interpreting the Act correctly, and that has caused the trouble.

Rapidly the tail began to wag the dog. Once the Department of Labour permitted a demand for union recognition to be treated within the scope of the Act and then permitted that demand to be extended to a demand for sole collective bargaining rights, these organizers realized that the way was open to them to utilize the Act as a means of demanding through a board the sole bargaining rights regardless of whether or not there were in fact any matters in dispute between the employer and the employee which fell within the purview of the Act and would justify the granting of a board. Quickly these applications became applications purely for sole bargaining rights, a matter never properly within the purview of the Act.

For some time these organizers deemed it necessary or advisable to tie to their application for sole bargaining rights some form of fiction indicating some semblance of dispute but as time went on they ultimately reached the bare-faced stage of making their application purely by way of demand for the sole and exclusive bargaining right without even seeking to set up any matter of dispute, real, false or otherwise.

It was the weakness of the Department of Labour in permitting this gross misuse of a great public statute which gave birth to and assisted in fomenting and maintaining trouble, unrest and illegal strikes in a substantial number of the war industries of this Dominion. Unhappily industry knows only too well the disruptive purposes to which this intended ameliorative legislation has been put.

Mr. COHEN: It may disturb your clients to know that the opinion you are now expressing with respect to the application of the Industrial Disputes Investigation Act was the opinion expressed by some of those very unions you now find occasion to criticize.

Mr. HENDERSON: You mean this interpretation was pressed by them?

Mr. COHEN: Yes; counsel argued for them in exactly the same terms you argue now. I am not sure you see the significance that flows from that. Suppose the I. D. I. Act did not apply; then what?

Mr. HENDERSON: I cannot say that I personally am sufficiently familiar with labour matters to say what would flow. I do not know the exact situation you have in mind. The only thing I would say—

The CHAIRMAN: Strike action.

Mr. HENDERSON: You mean there would be a strike automatically?

Mr. COHEN: There would be nothing standing in the way, if the I.D.I. Act was not interpreted in the way it was, of branding such strikes as illegal.

Mr. HENDERSON: I see what you have in mind—provided that the group which is strike-minded had sufficient control over that particular plant to call a strike.

The CHAIRMAN: That is right.

Mr. HENDERSON: On the submission made earlier, on the basis of this brief, that would not happen; because the group that is strike-minded would not have control of the plant, and they are left to their own devices. If they cannot gain control there will be no strike.

Mr. COHEN: Your suggestion of the strike problem would be that we abolish the I.D.I. Act so far as union recognition disputes are concerned?

Mr. HENDERSON: Yes; I do not think it was intended to extend to them.

Mr. COHEN: That would automatically prevent strikes on that issue?

Mr. HENDERSON: I think it would naturally follow, from the basis of this brief, that the pressure group would not be in a position to gain control of the particular industry or plant, because with the figures we have presented it is by means of that Act that that small group is enabled to get control or get power. It is because of the maladministration of that Act that they are able to get power.

Wartime Period—Recommendations

So long as the opportunity exists to put intended conciliation laws and conciliation machinery to disruptive use there will be those who will, for their own selfish ends, seek to use such laws and such machinery. In consequence with respect to the existing Dominion legislation we make the following curative suggestions:

That the Industrial Disputes Investigation Act be administered in the manner and to the extent only which its express wording clearly indicates. That the department no longer permit it to be used as a means of creating and fomenting disputes and strife and as an instrument of coercion by granting conciliation boards on fictitious and trumped-up disputes, or on disputes not within the purview of the act, or as a medium for enforcing demands for union recognition and collective or sole collective bargaining rights. Matters of union recognition, collective bargaining rights or sole collective bargaining rights clearly are not and never were within the purview of the act.

2. That a permanent panel or permanent regional panels be established in substitution of the present method of selecting the members of a conciliation board.

Experience has shown conclusively that such boards are not conciliation boards at all and can never in fact be such by reason of the very manner and circumstances in which they are sought and created. Almost invariably the application is made under circumstances conducive to militancy and not to conciliation.

Neither is the manner of selecting the members of the board conducive to anything but contentious dispute and resistance. The union and the

company each appoint a representative. These two start off and almost invariably remain at arm's length. The chairman is usually appointed by the Department of Labour and is intended to be independent and without inclination either way. This leaves him in the position where he usually has to side either with the representative of the union or of the company in order to arrive at even a majority report or else wheedle from one or concede to the other.

If the act is to be administered as an instrument of conciliation or as one of mandatory power the administration should be through the medium of a board or of boards truly independent both in theory and in fact. Labour selfishly and persistently demands labour representation on all such boards and industry then makes similar demands and from this no good can flow.

We consequently recommend that the present procedure be replaced by the appointment of a permanent national panel or permanent regional panels heavily weighted in favour of the public and in particular the consuming public with the disputing parties having no representation on the board.

Mr. COHEN: What part of the public is not consuming?

Mr. HENDERSON: Everybody must consume in one sense of the word. I do not know how to distinguish.

The CHAIRMAN: The healthy ones have the appetite, anyway.

Mr. HENDERSON: Yes; I do not know how to identify the consuming public in the general sense of the term, apart from the workers in these industries, not purely the representatives of industry or the workers themselves.

Mr. LALANDE: It may be the consumers or purchasers of the product of the industry concerned.

Mr. HENDERSON: Yes; probably the workers are in that group too, but there is a large group who are vitally interested and are not represented at all. Those are the people we have in mind as being the consuming public.

Mr. LALANDE: The community at large.

Mr. HENDERSON: Yes. I believe there have been submissions in this respect, and there should be a court over which a judge of the Supreme Court would preside. That has already been submitted to this Board. The intention is clear.

The proper manner for a party to place its case before the board is not through the medium of a representative sitting on the board.

3. That strikes be clearly and comprehensively defined and include the new technique of "sit-down" and "sit-in" and of pretended willingness to work but only under conditions contrary to management's instructions, and that sympathetic strikes be also clearly and comprehensively defined, illegalized and outlawed.

There is no justification for the workers employed in one industry with which they have no dispute walking out on that industry and creating a cessation of production because employees of some other industry are in dispute with their employer.

4. That jurisdictional disputes be so governed and controlled that industry shall not suffer or production be interfered with by reason of jurisdictional disputes.

5. That picketing be entirely prohibited in connection with illegal strikes and that stringent provisions be made for prosecutions for counselling, inciting, aiding, abetting or participating in any illegal strike.

6. That the right of every worker to either join or refrain from joining a union be clearly established in law and that this right shall not be destroyed through the medium of the closed shop, union shop, maintenance

of membership principle or check-off system or other means against the will of the individual.

The CHAIRMAN: What does the employer do now to keep the peace?

Mr. HENDERSON: I beg pardon?

The CHAIRMAN: What obligation should be placed upon the employer so that there will be some assurance that the peace will be kept?

Mr. HENDERSON: You mean what sanction should be applied?

The CHAIRMAN: No. I was wondering what obligations he might have in connection with the general situation of this kind, labour unrest and so on.

Mr. HENDERSON: He is a legal entity and falls within the province of the Criminal Code to keep the peace.

Mr. COHEN: You mean assault and battery?

Mr. HENDERSON: Yes.

Mr. COHEN: That is not the situation the chairman is dealing with.

Mr. HENDERSON: You mean coercion?

Mr. LALANDE: Coercion and intimidation.

Mr. HENDERSON: Certainly if the employer is guilty of acts of the kind, penalties can be imposed. I do not suggest he should be in any worse position than the unions. We deal with that later. We suggest that these sanctions are on employers and are not on unions at the present time.

Compulsory Collective Bargaining and Union Responsibility

In the field of labour relations the word "bargaining" has been extended to mean and include what is called "collective bargaining" and "compulsory collective bargaining".

That employer and employee must bargain with each other goes without saying; that is the essence of their relationship since the employer does not employ or the employee engage unless they can agree upon the terms of their relationship; and that employees shall be entitled to bargain collectively is not to be denied but once the field of compulsory collective bargaining is reached the underlying principles of the very term bargaining disappear and a new condition is created from which the principle of bargaining is entirely eliminated. The word "compulsory" and the word "bargain" cannot be joined together since the word "bargain" means the right of each to bargain with the other freely and without compulsion. The moment compulsion steps in bargaining ceases to exist.

The matter of union responsibility has always been bitterly opposed by the unions. As long as union recognition and sole bargaining rights remain a matter of free and voluntary negotiation between an industry and a union and neither is by law obliged to agree with the other the matter of union responsibility is not one which calls for legal intervention. But the moment compulsory bargaining rights are demanded as a matter of law an entirely different situation arises. It is inconceivable that in a democratic country and under British institutions a legal entity responsible in law for its actions and obligated by law to perform its contractual obligations should be forced by law to enter into a contract with a party which has no legal responsibilities, cannot be forced by law to perform its contractual obligations and can breach its contract with impunity. Such a contract is not in fact a contract at all.

But if free and voluntary collective bargaining is by law to become compulsory collective bargaining with industry subject to legal compulsion then it must follow that by the same law the party with whom industry is forced to contract must also be made responsible in law for its actions and the fulfilment of its part of the contract. Any law to the contrary is in its essence nothing short of vicious class legislation finding its parallel only in the methods and principles of Nazism and Fascism.

There can be no justification for conferring upon any pressure group whether in the majority or the minority powerful legal rights while retaining legal immunity. The effect of legal immunity and the futility of a unilateral contract has been only too frequently demonstrated by deliberate disregard by certain unions of contractual obligations imposed upon them by existing collective bargaining agreements and one need go no further than the Ford Motor Car Company case where deliberate breaches of the existing collective bargaining agreement have been committed within a matter only of weeks after the execution of the so-called contract.

The violent militant tendency of certain labour minority pressure groups to demand or seize colossal power while at the same time evading and refusing to assume concomitant responsibilities and obligations has now led to widespread state action in the United States of America and all present indications are that similar federal legislation will soon be placed on the United States Statute books. Labour pressure groups have there demonstrated that the possession of legal rights without any legal responsibility is a forerunner of uncontrolled abuse.

The Governor of the State of Kansas in signing the recent Kansas Labour Law tersely stated the proposition in the following words:—

Labour has now come of age and it is my concept that it is now strong enough to accept equal responsibilities with management.

The tendency to yield all to militant pressure group demands and to confer rights and immunities possessed by no other class or group and at the expense of industry and the consuming public led John Hanna, Professor of Law at Columbia University, to make the following pungent statement:

"It is now time to make certain that concern for the common man does not destroy the man who is not so common."

We also recommend:—

1. That if compulsory collective bargaining is to be established by law the law should make adequate provision that where that claim is based upon numerical membership the applicant should be obliged to establish clearly and conclusively by the strictest proof that it is possessed of a majority of the employees who are fully paid-up members in good standing and that any such claim should be subject to intensive examination and investigation.

2. That consideration be given to some differentiation in the voting rights of employees of long and of shorter duration. Due to war conditions and war expansion many industries now employ hundreds of employees in excess of the normal enrolment. On the termination of the war and the return of the country to peacetime production many of these industries will fall back again to normal or even lower employment. It is natural to assume that in the course of reduction old and skilled hands long with the industry will be retained and the newcomers laid off.

In many industries the newcomers are now in a majority, can control a plant vote and under a compulsory collective bargaining agreement with their union against the will of the minority comprised of employees of long standing. This would lead to the incongruous result that upon the termination of the war and the return of the industry to its normal enrolment the employees of long standing still retained on the payroll would be bound by a collective bargaining agreement entered into with a union other than of their own free choice. It has frequently been suggested and not without justification that some form of classification of voting rights or proportional representation based on length of service should be a necessary corollary to any compulsory bargaining law.

Post War Period

What post-war conditions may be none can now foretell and we suggest that these recommendations be carried into the post-war period and adjusted from time to time in such manner as to prudently and intelligently meet future conditions in the light of whatever those conditions may be.

PART II

As to Wages, Cost-of-Living Bonus and Associated Questions

We expressly concur in a stringent anti-inflation policy and the national necessity of maintaining a controlled price-ceiling applicable to labour and commodities alike.

The necessity of stabilization and the firm maintenance of a stringent price and wage ceiling structure should be clear to all in the light of the experience of the world during and after the last war and particularly in continental Europe. That experience should be sufficient to establish in all men's minds that it is elementary that without a price-ceiling structure economic chaos is bound to ensue with concurrent disaster overwhelming the wage earners of the country. Experience has demonstrated conclusively that wages cannot keep pace with uncurbed and unrestricted wartime commodity price increases.

We therefore recommend:—

- (a) The maintenance of a stringent controlled price and wage-ceiling structure so administered as to entirely curb inflation. In so far as wage stabilization is concerned this perhaps might well be accomplished by returning to the principles laid down in P.C. 7440 and by the application of those re-established principles freeze all wages at present existing levels. By the same token price ceilings should be also so stringently and firmly frozen.
- (b) The subject of cost-of-living bonuses has been a controversial one and no doubt the present spreads in the amounts paid to various groups and classes in various industries and localities have contributed at least to bewilderment on the part of many workers. Possibly time has served to give to many workers the explanation of these apparent discrepancies but any remaining misunderstanding should be dissipated by a national educational program. We are unable to concur with the suggestion frequently made that the cost-of-living bonus be standardized so that all persons in the same category and in the same area or territory would be receiving the same bonus. To do so at this stage would be to ignore the true principle upon which cost-of-living bonuses should be granted and paid and would further accentuate existing differences in wage levels and earnings and result in even greater inequalities than those presently existing.

We recognize the extensive and intricate ramifications of any price and wage ceiling policy and the difficulty of establishing and maintaining such a policy without incurring many difficulties and in some cases apparently glaring discrepancies. We feel however that unfortunately in time of war there must inevitably be some upon whom the exigencies of war are bound to work certain hardships and that a stabilized controlled ceiling is essential even though some may be injuriously affected or prejudiced.

Mr. HENDERSON: That is the submission. That is all I have to present to the Board.

The CHAIRMAN: Thank you, Mr. Henderson. Now, Mr. Pyle, you have some briefs to read into the record.

Mr. D. G. PYLE (Secretary, National War Labour Board): Mr. Chairman, there are two submissions which I propose to read, from Mr. Donald Gordon, Chairman of the Wartime Prices and Trade Board. One of them is in specific reply to Mr. J. B. Ward, General Chairman, Conference Committee, Standard Railway Organizations.

OTTAWA, Ontario, June 2nd, 1943.

The Hon. Justice C. P. McTAGUE,
National War Labour Board,
Confederation Building,
Ottawa.

Dear Mr. Justice McTAGUE,—My attention has been directed to certain criticisms presented by Mr. J. B. Ward, General Chairman, Conference Committee, Standard Railways Labour Board Organizations, in a brief to the National War Labour Board, under date of May 5th, 1943. These refer to the policy of subsidizing certain articles of food of very general consumption to prevent increases in the cost of living. The criticisms, in my judgment, appear to arise out of some misunderstandings and, accordingly, I am writing you to summarize the considerations underlying the adoption of this procedure.

The primary effect of all subsidies is to lessen the price paid by consumers for the articles that have been subsidized. The full benefit of the subsidies goes to the consumer. In the particular example selected by Mr. Ward there can be no doubt that Canadian workers and, indeed, all classes of Canadians have, in fact, received the advantage of a price reduction on the foods mentioned, i.e., milk, tea, coffee and oranges. In selecting milk as the principal item to be subsidized last December, the government selected a food used in every household and, particularly, by families with children. The reduction thus brought about in the cost of living of every worker's family was visible and substantial.

The costs of these consumer subsidies, like other war costs, are met by the people of Canada as a whole, either through taxes or loans. These costs fall upon the taxpayers not in proportion to the size of their families or their consumption of food, but in relation to their ability to pay. Under the taxation policy of the government the progressive income tax, together with taxes on corporations, constitutes the chief tax source used in defraying war expenditures. At present rates a married man with two dependents pays income taxes of only \$16 on an income of \$1,250 a year, and \$25 on an income of \$1,500 a year. (These figures represent taxes only and exclude the compulsory savings of \$16 and \$24 respectively.)

The average earnings of 135,700 Canadian railway employees during the year 1940 are shown by official statistics as \$1,581 (they have increased since then). More than half of the employees belonged to occupational groups whose earnings during that year averaged less than \$1,500, and about 18 per cent belonged to groups whose average earnings were above \$2,000 a year.

From the point of view of wage earners with moderate incomes, consumer subsidies effect a substantial reduction in the cost of living, while the taxes which make this possible are collected from the com-

munity as a whole, in accordance with ability to pay. It is difficult to see any sound reason, therefore, why a wage earner in the lower income ranges should object to this method of stabilizing the cost of living since it can be demonstrated that his tax contribution for such subsidies is less than the advantage given him in reduced prices.

The argument presented against the principle of consumer subsidies must, therefore, be made on behalf of the minority of workers whose wages are substantially higher than the average. Even for this group, however, I believe there are cogent reasons why they should support a policy of consumer subsidies as a means of preventing rises in the cost of living.

In December last the Minister of Finance pointed out that constant increases in the cost-of-living bonus resulting from a constantly rising cost of living have the effect of raising costs, thus producing an inflationary effect which extends rapidly from one group of commodities to another.

Consumer subsidies protect all persons who are purchasers while the cost-of-living bonus protects wage earners and some salary earners, but leaves other large groups without protection against rising prices.

The more highly paid workers are taxed more heavily than those with lower incomes, to meet the costs of war. It is, therefore, especially in their interest that the costs of the war should be kept down. But if the cost-of-living index goes up, with the result that an increased cost-of-living bonus becomes payable, the costs of *production* and therefore, the costs of *financing the war* must necessarily rise. It follows that increased war costs bear more heavily in the form of taxation upon the higher wage groups.

If higher paid workers argue against the principle of consumer subsidies, they are arguing against the principle of progressive taxation and diminishing inequalities of income. That principle, however, is fundamental in Canada's war finance, and it appeals, I feel certain, to the sense of justice of the vast majority of Canadian workers, including the higher wage groups. The principle has been universally accepted that war costs are most equitably met by progressive taxation, and as this prevention of an increase in the cost of living is a part of the cost of war, it is appropriately met in the same manner.

I am convinced, personally, that the price ceiling can be held only if costs of production are stabilized. Price rises which lead to increases in the cost-of-living bonus, have the effect of increasing costs of production. If costs of production rise, prices must rise and these in turn increase other people's costs. The cost-of-living bonus has, therefore, an automatic inflationary effect. The race of wages—either in the form of cost-of-living bonus or wage increases—against steadily rising prices has been proven again and again to be a tragic futility. In an over-all stabilization of the cost of living lies the best interest not only of labour but of every other citizen of Canada. Consumer subsidies operate to stabilize the cost of living and neutralize or offset uncontrollable price rises. To contend that the cost of living should be allowed to rise with cost-of-living bonuses as the only means of offsetting the rise, is to argue for inflation.

(Sgd.) D. GORDON,

Chairman, Wartime Prices and Trade Board.

The other is with respect to differential rationing.

OTTAWA, Ontario, June 7th, 1943.

The Hon. Justice C. P. McTAGUE,
Chairman, National War Labour Board,
Ottawa.

Differential Rationing

Dear Mr. Justice McTAGUE: In view of the fact that certain criticisms of consumer rationing have been made at recent hearings of the National War Labour Board, I desire, on behalf of the rationing authority, namely, the Wartime Prices and Trade Board, to recapitulate these criticisms very briefly and to explain the reasons why the rationing of foodstuffs has been organized on a basis of equality for all.

Requests for special treatment in rationing for particular groups lay emphasis as a rule upon one or other of the following two considerations:

1. That persons engaged in heavy work require extra food and should receive special consideration;
2. That men who are obliged to take their food from home in lunch boxes, and sometimes sufficient food for more than one day at a time, should receive special consideration.

The answer to both these suggestions is that careful examination by competent nutritional experts and practical food officials make it clear that the present and contemplated food restrictions in Canada allow a sufficiency of every essential food to all workers, whatever their occupation may be. Consequently, there is no unfair discrimination, and the present method of rationing is preferable administratively and equitably to any form of differential rationing. (This comment is based, of course, in regard to all areas where the customary varieties of foods are available. It may be in isolated or special areas that some qualification will be required and these special cases are given appropriate attention by the rationing administration of the board.)

The foods now rationed are sugar, tea, coffee and butter and red meats. The sugar ration in Canada (one-half pound per week) is equal to that in force for the general population in Great Britain and the United States and is, in fact, larger than in either of these two countries when consideration is given to the extra allowance in Canada for canning, etc. I am not aware that any objection has been made against the principle of equality in the sugar ration.

Tea and coffee are not energy foods, and there are numerous unrationed substitutes for these beverages. All classes of the population are treated on an equality with the exception that children under twelve do not receive any ration of these beverages and that an extra allowance of tea is given to coal miners who work underground. This latter concession is given because of the peculiar physical needs of the miners, arising out of the "dehydration" which accompanies underground work.

With regard to butter, it has been suggested that the general ration of eight ounces a week is low for men who carry their lunch to work mainly in the form of sandwiches. The butter ration in Canada is eight ounces a week, with cooking fats ration-free, as compared with a ration in England of two ounces of butter, four ounces of margarine, and two ounces of cooking fats. There is no occupational discrimination permitted in the English ration of butter and fats. The Canadian ration is, therefore, still on a rather generous basis. Much can be done to make butter go further in making sandwiches, if it is extended by mixing with milk. There are also many nourishing foods available for those who carry their lunches—the Department of Agriculture recently issued a pamphlet containing suggested menus.

With regard to meat rationing, the basic ration is equivalent to an average of approximately two pounds a week (carcass weight) varying according to bone content. This compares with pre-war average consumption of about 2.5 pounds per week. It is emphasized that meats with a bone content of more than fifty per cent, meat loaves, smoked sausages, and "variety meats" are off the ration, and there is no restriction in Canada upon the consumption of important meat substitutes, such as eggs, cheese, fish and poultry. In view of these facts I believe that meat rationing, now operative, will permit every class of worker to receive an adequate supply of protein food.

In regard to meat, the Advisory Committee on Nutrition of the Foods Administration, consisting of the following members:—

Dr. E. W. McHenry—School of Hygiene, University of Toronto.

Dr. D. L. Thomson—Department of Bio-Chemistry, McGill University.

Dr. J. Harry Ebbs—Pediatric Research Foundation, Toronto.

Dr. L. B. Pett—Director of Nutrition Services, Department of Pensions and National Health, Ottawa.

Wing-Commander F. F. Tisdall—Hospital for Sick Children, Toronto.
has reached the following conclusion:—

A ration allowance of two pounds of meat, plus customary and available amounts of milk, eggs, cheese, fish and poultry, gives more protein from animal sources to satisfy nutritional requirements than is required for a person of any occupation. The Advisory Committee on Nutrition is unanimously of the opinion that differential meat rationing, on the basis of occupation, is unnecessary from the viewpoint of nutrition.

In Germany where the differential rationing system is in effect, the largest weekly meat ration available to *very heavy workers* amounts to a total of 33½ ounces a week, as compared with the basic ration of 32 ounces a week, plus ration-free meats and meat substitutes, available for *every Canadian citizen*.

What the critics of equal rationing are, in effect, proposing is a system under which different classes of citizens shall be given varying amounts of essential foods. As I have already said, our investigation convinces us that the basic ration in Canada for all citizens is sufficiently large to obviate any need for differential rationing. Quite apart from this, however, it should not be overlooked that any differential rationing scheme presents almost insoluble problems.

In setting up any such scheme, the first task would presumably be to draw up a list of occupational groups and allot to workers in each group an appropriate ration of each of the articles to be rationed. In Germany, for example, I am given to understand that different rations are prescribed for normal consumers, light workers, heavy workers, very heavy workers, late and long hours workers, children and adolescents. The rations are said to range, for example, in the case of meat from 7 to 33½ ounces a week, and in the case of bread from the equivalent of two to eight twenty-ounce loaves, etc. Special arrangements are made apart from this schedule for nursing mothers, men in unhealthy occupations, miners, and other specific groups.

Such schemes are seldom set up except in a few countries where there is a very great scarcity of foodstuffs. I know of no organization in Canada who would be deemed competent to draw up a list of occupational groups

and the different rations of essential foods considered necessary. (I should not like to say that the preparation of such a list is impossible, because we cannot foresee what we may come to before the war is over.) Of one thing I am certain, namely, that such a list when drawn up would be extremely unpopular with those in the low ration categories. It would probably be necessary to take some kind of precautions to ensure that the higher rations went to the people for whom they were intended, and not to their wives, families or friends. The difficulties of drawing up and administering such a scheme are so great, both from the point of view of administration and from that of public acceptance, that it is not surprising that even in England—where, if anywhere they might be expected to economize in food—the attempt to draw up any such scale of differential rationing by occupations was abandoned despite close consultation with official labour organizations.

In the United Kingdom, the meat ration which is based on value, is one shilling and twopence worth a week, which will buy less than a pound of beef (average cuts, including bone), plus four ounces of bacon. Canned meats and fish, cheese and eggs are also severely rationed. The general meat ration in England is much more severe than that which has been announced for Canada. The English meat ration is, however, supplemented, as it is in Canada, by factory canteens and restaurants where food can be obtained “off the ration.” Such arrangements, undoubtedly, reach a larger proportion of the people in a densely populated and highly industrialized country like England than it is possible to reach by such means in this country.

One other proposal for differential rationing, never explicitly put forward, has been hinted at by some of the critics. From their reference to the disadvantages of the man who carries a lunch box it would seem that they may have in mind the idea of issuing extra rations to all those who are in the habit of carrying a lunch box. I cannot believe, however, that such a proposal would be accepted as just by other workers. It would, undoubtedly be regarded as unfair to discriminate between two blacksmiths or two carpenters merely because one of them ordinarily goes home for lunch while the other usually brings his lunch in a box. I do not pretend that equal rationing produces perfect equity. But unless our supplies of food become very much shorter, it is a much fairer and more workable system than one which allows exceptions, which, in turn, necessitate still other exceptions. As soon as we leave the basis of equal treatment for all, we are faced with an impossible and endless task in justifying state-decreed inequalities. Moreover, it must be appreciated that any system of food rationing is bound to cause some change in the eating habits of some individuals. Since rationing is, obviously, an impact of war it should not be too much to expect that all concerned make the best of it, even if some measure of inconvenience is involved.

D. GORDON,

Chairman Wartime Prices and Trade Board.

Hearing adjourned until Friday, June 18, at 10.30 a.m.

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Canada
NATIONAL WAR LABOUR BOARD

PROCEEDINGS

Official Report

No. 13

SUBJECT:

**Labour Relations and Wage
Conditions in Canada**

HEARING: OTTAWA

DATE: JUNE 18, 1943



OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1943



NATIONAL WAR LABOUR BOARD

LABOUR RELATIONS AND WAGE CONDITIONS IN CANADA

Proceedings of Public Inquiry held in the Board Room of the Board of Transport Commissioners for Canada, Union Station, Ottawa, on Friday, June 18, 1943, commencing at 10.30 a.m.

PRESENT:

The Hon. Mr. Justice C. P. McTague, J.A., Chairman.
Mr. J. L. Cohen, K.C., Member of the Board.
Mr. Leon Lalande, Member of the Board.
Mr. D. G. Pyle, Secretary.

APPEARANCES:

William EdmistonRegional Director, Gas, Coke and Chemical Workers of America, District No. 11.
George GoreInternational Representative, Gas, Coke and Chemical Workers of America.
William StansfieldPresident, Association of Shawinigan Water and Power Company Employees.
G. W. BergeronPresident, Shawinigan Chemicals Limited Employees' Association.

VOLUME XIII

(Hearing of June 18, 1943)

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Pursuant to adjournment the hearing was resumed on Friday, June 18, 1943, at 10.30 a.m.

The CHAIRMAN: Yes, Mr. Edmiston.

Mr. WILLIAM EDMISTON (Gas, Coke and Chemical Workers of America, District No. 11): Mr. Chairman, do you wish me to read the brief?

The CHAIRMAN: Yes, please. There may be some questions as you go along.

Mr. COHEN: What does District No. 11 refer to?

Mr. EDMISTON: That is the district covering Canada.

The CHAIRMAN: Which affiliation?

Mr. EDMISTON: C.I.O.

The United Gas, Coke and Chemical Workers of America, District 11, welcomes the opportunity of registering its views in this comprehensive inquiry by the National War Labour Board into labour relations in Canada.

It is entirely appropriate that this organization of employees, associated in seven local unions comprising some 4,000 members, all of whom are engaged in essential industries, should express to the Board the collective opinion of its membership respecting the adoption of a labour policy which will both promote the War effort and provide to the working men and women of Canada and to the members of the armed forces returning to civilian life some protective assurance in relation to employment and the conditions surrounding it. First, this union joins the organized labour movement generally in decriing the unrealism of the government of Canada in its unqualified failure to give organized labour a responsible share in directing the industrial and production side of the war effort. It is a fundamental principle of industrial democracy that those who are asked to execute industrial policy should have some share in its formulation. In ignoring this principle and related ones, the government has ignored an important psychological stimulus to its war production programme, besides depriving itself of able assistance. We refrain from too much emphasis on what is obvious to all,—that private industrialists and executives of private industry, most of whom are uncompromisingly hostile to organized labour, are fixed in key positions in the war production programme.

From these vantage points, they will be in a position to dictate the peace-time conversion of war industry as they have dictated its lines of development during the past four crucial years. Already their voices are heard in support of a return to the same pre-war economic policy under which they exploited both the public and their own employees. It is not too late for the government to redeem this situation, in part at least, and to rectify an unwarranted snubbing of organized labour. This it can do with benefit both to the war production programme and to the period of reconstruction which lies ahead. What is required in this connection is:—

(1) The inclusion of representatives of organized labour on government policy—forming councils which now are composed of representatives of management and of government only.

(2) The inclusion of representatives of organized labour on the directorate and policy-forming committees of government war corporations.

(3) The inclusion of representatives of organized labour on all government advisory councils having to do with either war or post-war activities.

(4) The inclusion of representatives of organized labour on planning commissions, and especially on any commissions set up to explore the extent to which war industry and particularly government-financed war industry, can be converted to peace time needs.

(5) The inclusion of representatives of organized labour on any commission which will survey post-war employment needs in the light of an economy of abundance.

(6) The inclusion of representatives of organized labour on any commission to explore resettlement and immigration possibilities.

(7) The adoption of a positive policy towards the setting up of labour-management production councils in all war industry. On this last point, we have the experience of Great Britain that such production councils which were there found to be such a stimulus to increased production, will be successful in their purpose according to the degree which industry is unionized and collective bargaining is the vogue. But the collective bargaining side of the Dominion Government's present labour policy is purely negative, putting a premium on conflict rather than on co-operation, Order in Council P.C. 2685 has already received the devastating criticism which it deserves. That the government of a democracy could not, in 1940, go beyond pious platitudes in formulating principles of labour-management co-operation, will never cease to arouse astonishment—especially when it refused to direct or establish as mandatory the principle of collective bargaining or compulsory negotiation. The government's own labour statistics should have convinced it of the imperative necessity of enforcing this minimum of industrial democracy in Canadian industry. A review of the causes of industrial disputes over the past ten years bears out that in the majority of cases employers were guilty of a refusal to negotiate with the organizations of their employees. It has always been a source of wonder to organized labour how the government could blithely ask for labour-management co-operation when employers could lawfully, and did traditionally, rebuff any attempts of their employees to meet with them on equal terms.

The case for compulsory collective bargaining is so conclusive that this union is content to endorse what organized labour generally has sought in this respect—viz., comprehensive legislation making collective bargaining an enforceable legal duty of employers, and guaranteeing to employees freedom of association and organization without domination or coercion or discrimination by employers. All employees, saving those having power to hire and fire, should be brought under the cover of collective bargaining legislation. Needless to say, company dominated unions, by whatever name they call themselves, have no place in such a legislative program. In this connection, this union's own experience indicates that employers have recently turned to self-organization ostensibly for their own protection, but in reality to promote company unions and to frustrate trade union organization. A proper collective bargaining measure would serve the interests of industrial peace by outlawing such attempts to foist employer-dominated associations upon employees.

It is perhaps advisable to remind the Board that such legislation should encompass Crown companies—the government at least can be expected to be a model employer. On this point, it is to be hoped that the shortcomings of Order in Council P.C. 10802 will be avoided. That Order in Council applies only to Crown companies engaged in war production and does not cover such organizations as the C.B.C. More important still, that Order in Council while purporting to provide for collective bargaining does so in a thoroughly unacceptable manner. It requires a Crown company to bargain collectively with the representatives of an organization having a majority of the employees of the Crown company as members. This is objectionable from the standpoint of collective bargaining divorced from any question of a closed shop. No organization of employees which represents a majority of the employees should be denied collective bargaining rights.

The CHAIRMAN: I do not understand the point there. You have a reference to Order in Council P.C. 10802—"It requires a Crown company to bargain collectively with the representatives of an organization having a majority of the employees of the Crown company as members. This is objectionable from the standpoint of collective bargaining divorced from any question of a closed shop." Is the proposition you are putting there that there has to be a group of membership?

Mr. EDMISTON: Yes.

The CHAIRMAN: Then what do you mean by the expression "divorced from any question of a closed shop"?

Mr. EDMISTON: Well, this may not be worded as well as it could be to be clear, but from our experience you must prove by a membership card check that you represent the majority of the employees before you can even get a vote taken in that plant.

The CHAIRMAN: I take it your position in that regard is that if a majority of the employees indicate a certain organization or union as the agency they wish to bargain for them, that that should be sufficient?

Mr. EDMISTON: Yes.

The CHAIRMAN: By the reference "divorced from any question of a closed shop" do you mean that it should be a closed shop, or open to bargaining? Or what do you mean?

Mr. EDMISTON: If you have to prove a membership of a large majority then you are in a position to ask for a closed shop.

Mr. COHEN: Frankly your phrase is just surplusage. It does not add to the sentence at all. If anything it helps to confuse the thought.

Mr. EDMISTON: Possibly it may do that.

The CHAIRMAN: All right. Will you go ahead?

Mr. EDMISTON:

Machinery for the adjustment of disputes is presently provided by the Industrial Disputes Investigation Act as extended and amplified by various orders in council. The requirement of a strike vote preliminary to the establishment of a board of conciliation and investigation has always appeared to be rather too dramatic a method of invoking the provisions of the Act. Be that as it may, however, much more objectionable is the delay which attends the settlement of disputes once the machinery of the act is invoked. Some delay is, of course, inherent in any conciliation machinery, but it is doubtful whether anything of value is added by having an Industrial Disputes Inquiry Commission preliminary to the constitution of a

board of conciliation and investigation. Either the one or the other should be promptly appointed and empowered to carry the matter under investigation through to conclusion.

Organized labour would have much less to criticize in this respect, were the government to enact compulsory collective bargaining legislation which would perforce conduce to the conclusion of collective agreements under which employers and employees would be able to provide their own machinery for the settlement of disputes. They would be more prone to suffer silently any delays in their own machinery.

A wage stabilization program to combat inflation is obviously necessary in war-time but such a program is useless preceded by a policy of freezing prices. Because inevitably, the supply of consumer goods must decline in war-time, if only because of a shortage of labour and materials, pressure against price ceilings is often too great to contain. This has been our experience in Canada, even though the government has in part met this situation by subsidies. With this in mind as well as the need to work out some balance between civilian and war production, it is clear that wage stabilization must not be allowed to work injustices to those whose wages have been below adequate subsistence levels, or to those whose annual earnings, whether because of seasonal or other factors, fall short of providing the necessary income, after taxes, for maintaining them and their dependents. It is from this point of view that P.C. 5963 could be improved upon, because as it stands, it allows no discretion to the National War Labour Board, in its administration of the Wartime Wages Control Order, should proceed from some basic minimum hourly wage, say 50 cents, per hour, besides taking into consideration annual earnings.

Mr. LALANDE: I suppose you mean their annual earnings from all sources?

Mr. EDMISTON: Yes, usually the working man has earnings from only one source.

Mr. LALANDE: The seasonal workers these days can always find work when not on their seasonal employment.

Mr. EDMISTON: Yes.

So far as cost-of-living bonuses are concerned, there seems little doubt that the cost-of-living index could be made to reflect more accurately changes in living costs, and it may even be advisable to permit the Regional Boards to determine the cost-of-living bonuses payable, on the basis of regional indices of the cost of living. The administration of the order could be considerably improved too, were the National Board to make mandatory orders the rule rather than the exception. In countless cases, the permissive orders or organization of the Regional Boards merely protract the settlement of disputed questions between employers and employees. If, after argument on the merits, a Regional Board finds that an increased rate of wages is fair and reasonable, the employer should be directed rather than merely authorized to pay such rate. This will at least bring finality instead of, as has been the case, straining further the relations of employer and employees, where the employer takes it upon himself either to ignore the authorization or to refuse to implement it fully.

The CHAIRMAN: Have you any personal knowledge of that? You seem to be indicating that there may be an argument between the employer and his employees before the Regional Board and the employees may make out a case for adjustment. My understanding is that there is always a direction of the board which compels the employer to pay that wage. You are rather indicating here that it is optional. Do you know of any cases of the kind?

Mr. EDMISTON: We have not had any cases in our own organization, but we are apt to run across them, because according to other organizations this is what happened where the order has been made; the employer has not paid it.

The CHAIRMAN: You are familiar with the procedure by which the employer may ask for authorization alone, to pay more. I have some knowledge of one or two cases where it was not implemented by payment, but there was no contest. Then, of course, where there is a joint application there is an authorization, and as far as I know that has always been implemented. I just wondered if you had any specific cases.

Mr. EDMISTON: Not from my own organization.

Mr. COHEN: What was the form of the order that followed here? Was it a direction or an authorization?

Mr. EDMISTON: It was an authorization. I have not heard of any case where the Regional Board directed the employer to pay.

Mr. COHEN: In this case you speak of?

Mr. EDMISTON: I suppose it would be an order, because the employer certainly did not figure to give the increase. It was an order.

Mr. COHEN: Where the employer applies, the presumption is he is asking for authority to pay these wages because he wants to pay them; so that in his application, if it is of that sort there is no need to make a direction. Similarly where there is a joint application all that is sought is permission of the Regional Board to have the agreement implemented, so there is no need in a case of that kind for a direction; an authorization accomplishes the result. But when you get down to the third type of case, where there is a dispute, where the application would be from the employees, it is my understanding that if the Board arrives at a conclusion it takes the form of a direction. That is the way the thing works itself out. Is not the net result this: a direction is issued where it is needed to effect the result; an authorization is issued where all that is needed is the authority.

Mr. EDMISTON: There happens to have been the odd case brought to our attention.

Mr. COHEN: This is the first time it has been brought up during the whole of this inquiry. I wondered about that. If it was a general experience I should think some of the trade union bodies would have brought the matter to the attention of this Board.

Mr. GARE: May I interject here? My understanding, as I got it, is that the Atlas Steel Company of Welland, Ontario, made an application to the Regional Board recently, and when faced with the possibility of a vote to determine the collective bargaining rights of two organizations, one a company union, and the other an international union, as it has been passed on to me yesterday; after the vote was taken the Board gave a hasty decision in granting a very substantial increase to the employees. While the commissioner acting in this case was not permitted to post government notices in the plant advertising the fact that there was to be a vote held outside of the plant, the company posted notices saying that the company union had been granted increases by the Regional Board. The company would not agree to the vote being held in the plant last Wednesday, so that it was held in a school, and the company service guards were sent by the company to guard the ballot boxes. The commissioner, Mr. J. B. Nichol, ordered the guard out of the school. They stayed on the sidewalk intimidating the workers coming in to vote; no question of that. When the commissioner told Mr. Davies he wanted his "gestapo" taken off, he would not do it, and they had to get the police to remove them. I believe the commissioner should have had more power than he had. I believe he should have had power to have notices posted in the plant.

The CHAIRMAN: Who won?

Mr. GARE: The union won.

The CHAIRMAN: That clears the situation.

Mr. GARE: That is beside the point, the union won, but there were certainly handicaps. These notices ought to be posted, but the service guard was ready to tear them down as soon as they went up.

Mr. EDMISTON:

It has become increasingly clear that wage and price stabilization cannot be considered apart from availability of manpower and production needs. What is required is to gear wage and price policies with manpower policies and production programs. Rather than have employers finally imploring the National or a Regional Board to authorize increased rates as a means of holding their labour forces, it would seem preferable to bring manpower, production and wage policies into some sort of balance and to encourage production by incentive payments. Widespread collective bargaining would be a powerful influence for a sufficient measure of stabilization upon which government policy could build.

In order to maintain production with too small a labour force, war industries, such as the abrasive plants in the Niagara Falls area, require their employees to work overtime. With this in mind and as a means of preventing absenteeism, the union has this suggestion to offer regarding income tax deductions.

The weekly income tax deductions should be based on an estimate of the employees' annual earnings, so that weekly deductions would be uniform. Much discontent is evident, when due to excessive overtime work, the weekly tax deduction is extremely high, resulting in many misguided workers taking time off. At the end of the year, adjustments could be made to reconcile the tax with the actual earnings.

Mr. LALANDE: That is the case now. There will be an adjustment at the end of the year.

Mr. EDMISTON: It does not work out that way. We have much overtime worked in the plants where we have contracts. A man may work twenty hours overtime one week, and the next week none. The week he works the twenty hours it is deducted from his pay. The net result is that the foreign born workers do not understand or read English very well. They believe they work one day for nothing. They figure if they did not work overtime they would have just as much money.

The CHAIRMAN: I suppose it has not been made sufficiently clear that the income is made applicable to the whole of the year, and if there has been too much deduction one week, and little in another, it is finally righted at the end of the year. It involves, I suppose, applications of some kind to have the adjustments made, though more than likely it will be made in the income tax department itself.

Mr. EDMISTON: Our idea is that the tax could be based on an estimated annual average and could be uniform each week. It would have to be adjusted at the end of the year in any case. The worker would know how much voluntary savings he had. We also think the worker should be given something to indicate just how much he has saved each week. Then it would be an incentive to work. Several companies are very much concerned about absenteeism. We have made a study, and we find that in the higher brackets of skilled workers earning \$1 an hour, working a full week and Sundays at time and a half, they actually receive about five cents less on Sunday than they would on the ordinary day. The workers do not take into account the savings. If it could be shown how much they save each week it would be some incentive to carry on the work.

The CHAIRMAN: Yes.

Mr. EDMISTON:

Employees should, each pay, receive a slip indicating how much compulsory savings had been deducted from their wages, thus giving them the same incentive to work and save as a savings account in a bank would give. This union, as representative of employees engaged in gas and chemical industries, has a particular interest in measures which would promote and safeguard the health of workers. Its members are exposed in their work to industrial diseases which not only impair efficiency and impede production but cut down substantially their useful span of life as well as their annual earnings. This union has always advocated that all industrial diseases be covered by compensation. Now would it be out of the way to suggest that health hazards should be considered in applications for increased wage rates. Of course, compulsory collective bargaining leading to the establishment of collective agreements would give trade unions a voice in promoting adequate health measures for the protection of employees.

We have had some experience with this health angle, because our union has fought very hard to have cancer, and especially skin cancer, covered by compensation. We finally did it. Statistics show—

The CHAIRMAN: That would be with the Workmen's Compensation?

Mr. EDMISTON: Yes.

The CHAIRMAN: In Ontario?

Mr. EDMISTON: Yes. There was an investigation and it was finally ordered by the Department of Health.

The CHAIRMAN: Thank you very much.

Mr. WILLIAM STANSFIELD (Association of Shawinigan Water and Power Company Employees):

Brief submitted to the National War Labour Board by:

The Association of the Shawinigan Water and Power Company employees.

Shawinigan Chemicals Limited Employees' Association.

St. Maurice Transport Company Employees' Association.

In respect to the public inquiry into Labour Relations, wages and working conditions.

Mr. Chairman and members of the Board:

Gentlemen:

That this reconstituted National Board so promptly decided, and have so ably proceeded, to conduct this public inquiry into matters concerning labour and related affairs all over our country is greatly to be commended and the three employee associations I represent join me in the belief that the confidence and co-operation resulting therefrom will be reflected in the Board's future activities.

We would also like to express on behalf of the 3,500 workers we represent, our appreciation of the opportunity to put forward the wage-earner's viewpoint on what we consider to be pertinent matters, and do so in the fullest confidence believing that the sincerity of this inquiry will do much to promote harmonious and improved industrial relations. It is in this spirit, Mr. Chairman, that we submit the following opinions and recommendations for your consideration.

Company Unions

We have observed that several briefs which have been submitted at this inquiry have recommended the outlawing of "Company Unions", although they did not always define the term, "Company Unions".

If, by a "Company Union" is meant an association of the employees of one company whose management subsidizes and controls the organization, then it must be admitted that such unions tend to have certain features which are likely to interfere with the requirements of absolute freedom for the expression of any and all opinion.

The features I refer to there are if there are no meetings except joint meetings that are arranged for by the company; if the officers are appointed by the company instead of being freely elected, or if the management pays the expenses; and so on.

Accumulated experience shows that such features are undesirable and associations built on such unstable foundations are not usually satisfactory or permanent, although the principle of democracy would indicate that if employees so wish they should be allowed to try that or any other scheme to arrive at a satisfactory agreement with the management.

If, on the other hand, a "Company Union" means any independent association of employees and is called a "Company Union" because its membership consists solely of the employees of one company, or because it has no affiliations with the international trade unions, then, most emphatically we wish to say there should be no obstruction placed in the way of workers forming such independent associations with the object of bargaining with their employers. It may be observed that just as individuals differ in respect to being avaricious, obstinate, belligerent or the reverse, so do groups of individuals and, the opinions of certain labour leaders notwithstanding, it is quite conceivable that a company management may be found which has retained some human characteristics and may even still be sufficiently amenable to reason as to inspire the employees with the belief in the possibility of their doing business together.

We respectfully submit to this Board the opinion that when the relationship between management and labour is such that both have confidence in their ability to arrive at a mutually satisfactory labour agreement there should be no legislation to obstruct such a course; and when a majority of the employees of any company indicate a wish to form an association without any help from outsiders, with the object of negotiating such an agreement then, provided said association is free from company domination and control, they should not only be allowed but, in the name of democracy, encouraged to do so.

If I may digress for a moment there, I was astonished to hear on the radio that certain members of the legislative assembly, accredited representatives of a political party, had suggested that company unions or any type of labour-employers' association should be outlawed. Just imagine that in a democratic country! The fact that quite a number of people wanted that association would be quite sufficient to veto any thought of its being outlawed.

The CHAIRMAN: You are quite correct, that some of the briefs from the unions have used the words "company unions" but as they have been questioned, and sometimes voluntarily, they have always excluded what they call "genuine company unions". What they are complaining about and what outlawed is the type of union you mention, the company dominated or subsidized union.

Mr. STANSFIELD: Even they should not be outlawed.

Mr. COHEN: Why?

Mr. STANSFIELD: Because there are a number of people who want it, indicating they should be permitted to try it.

Mr. COHEN: You mean they wanted to be dominated. It is a contradiction in terms. If you are dominated it means it is something against your own free will.

Mr. STANSFIELD: If the majority of the employees in a company are agreeable to having an association which the company will control, they should be allowed to try it.

Mr. COHEN: Suppose that agreement results from control or domination or undue influence or something; how can you then say that the employees are willing to have it?

Mr. STANSFIELD: You have got a point there all right.

Mr. LALANDE: I suppose we should be free to be "dominated" if we want to.

Mr. COHEN: That is a peculiar doctrine.

The CHAIRMAN: It is part of the great institution of democracy.

Mr. COHEN: I suppose by that same doctrine you might also say suspend the police and so on, and let us all enjoy this freedom to be dominated.

Mr. STANSFIELD: You are supporting my argument. Police supervision is part of our democracy. We submit to being dominated by the police—the strength of the law.

Mr. COHEN: It is our initiative. It is our willing expression through the various legislative or municipal political bodies by which we express ourselves as citizens.

Mr. STANSFIELD: We elect to submit to certain laws, some of which we do not agree with. It is a pretty large subject.

The CHAIRMAN: Your contention is that the idea of freedom of association is entirely up to the employees. If they want to have an association that is in common with the employer in some way, that is their right.

Mr. STANSFIELD: If they want to try it there should be no question about it. If they find it fails they should be allowed to try something else.

Mr. COHEN: Who is it who wish this imposed upon them? Do you suggest that is something that nobody should interfere with?

Mr. STANSFIELD: Not to the extent of outlawing company unions.

Mr. COHEN: I am not suggesting that and I do not know that anybody else has suggested it. The only suggestion has been that it should not be possible for an employer to use his economic position in regard to his employees to limit their rights in respect of association.

Mr. STANSFIELD: That is another interpretation. I am going simply by what I hear on the radio and read in the press, that company unions should be outlawed.

The CHAIRMAN: Where did that come from?

Mr. STANSFIELD: That was announced on the C.B.C. news one night, that a brief had been submitted by two C.C.F. members. It was referred to briefly on the radio that company unions should be outlawed. I went and bought a paper to see if it was true. It was reported in the same way in the press.

Furthermore, the directors and officers of the Associations I represent here to-day support me in the contention that such an arrangement is the ideal one and as such is deserving of some protection against those who, for pecuniary or political reasons, make every effort to wreck such arrangements.

For the past twenty years I have earned my livelihood in the Province of Quebec and on that account may claim some knowledge of the average Canadian wage-earner's attitude towards the organization of labour. My experience is that he would far rather deal directly with his employers—as the French boys say, "en famille"—than pay an outsider, particularly a foreigner, to conduct his affairs.

I have with me Mr. Bergeron, President of the Shawinigan Employees' Association. He is here representing 2,000 employees, of whom ninety per cent are French. He would be very glad to support me in that if you would like to hear his endorsement.

Therefore, Mr. Chairman, in the interests of curing industrial unrest and promoting harmony in industrial relations and uninterrupted industrial production, we respectfully ask this Board to consider making the following recommendations to the Federal Government:—

1. That all labour unions, employee associations, and workers' associations under any other name be obliged to become chartered under the laws of the Dominion, at least to the extent of the registration now required under the professional Syndicates Act of the Province of Quebec.

Mr. LALANDE: You realize that registration under the Quebec Act carries with it incorporation?

Mr. STANSFIELD: Yes.

Mr. LALANDE: It is really more than registration: it is incorporation.

Mr. STANSFIELD: Yes. I do not mean it to be inferred from this that we suggest there should be separate provincial enactments. We would prefer that it should be dominion-wide in scope, and that there should be penalties provided for non-observance.

Mr. COHEN: Are you speaking for the workers in Quebec when you make that assertion?

Mr. STANSFIELD: Just about 3,500.

The CHAIRMAN: You might be taken as speaking for some 50,000 of the Catholic Syndicates. They are all registered under the Professional Syndicates Act?

Mr. STANSFIELD: Yes.

Mr. COHEN: My question was not in respect to registration, but that it should be dominion-wide.

Mr. STANSFIELD: I am afraid I cannot speak for the workers of the whole Province of Quebec.

The purpose of this proposal is:—

- (i) To establish a greater degree of responsibility in those who seek to control the labour movement.
- (ii) To discourage foreign domination of labour relations.
- (iii) To enforce the deposit with the government of the organization's constitution and by-laws, names of officers, et cetera.
- (iv) To make available to the membership reports of activities and audited financial statements.

2. That no particular form of association be outlawed as long as it conforms to the above and other existing legal limitations and requirements.

We believe that these two measures will tend towards transferring the control of labour from those whose interest appears to be in unrest and dissatisfaction to those who naturally want peaceful arbitration and industrial prosperity.

Labour Code

A subject frequently discussed amongst those trying to negotiate and administer agreements is the difficulty of understanding the laws with respect to the labour situation in general. It is even suggested by some

that the existing state of obscurity and confusion is considered desirable by some government officials as tending towards the requirements of specialists or professional organizers. There may or may not be any grounds for such charges, but this I do know, that the average man who tries to hold down a job and in his spare time get a grasp of what the labour legislation is after, has a task of considerable difficulty.

The officers of the three Associations I represent are unanimous in the opinion that the present condition of labour legislation is deplorable and unnecessary and wish respectfully to urge this Board to recommend the consolidation and codification of the existing mass of enactments concerning labour and, by means of the War Measures Act if that is the most expeditious method, the production of a simplified labour code.

We would go even further and suggest that this code be translated from legal language into ordinary English and French in a form that the non-legal mind can readily grasp, thus widening the field of understanding and consequently of acceptance and co-operation amongst those whom it is most desirable to reach.

The CHAIRMAN: I think you have something there.

Mr. STANSFIELD: I would like to refer you to a sentence.

Mr. COHEN: P.C. 671?

Mr. STANSFIELD: This sentence refers to the cost-of-living bonus on page 18.

Mr. COHEN: What is the Order in Council?

Mr. LALANDE: P.C. 8253. It was originally enacted as P.C. 671.

Mr. STANSFIELD: I defy any ordinary man to read that through once and say what it means.

Mr. LALANDE: I think you can defy any lawyer.

Mr. COHEN: As a matter of fact we asked Mr. Forsyth the other day to define it.

Mr. STANSFIELD: I am surprised at it. The sentence doubles back on itself. You start at the beginning, read through and go back. The way we found out something about what it means was by underlining the various parts referred to.

Mr. COHEN: There is no definite assurance that that Order in Council was drawn by a lawyer.

Mr. STANSFIELD: Whoever drew it up had a lawyer's mind, though.

In support of this suggestion may we be permitted to point to the experience of our large utility and communication companies. These companies have in the course of the last half-century brought into being large and exceedingly complex schemes of power production, distribution and communication. These systems are constantly being modified by the product of the experimental laboratory and scientific investigations; engineers are regularly adding technical complications and the systems are administered through intricate customer contracts, yet a comparatively simple code of operating instructions enables the arrangement to be handled satisfactorily by relatively non-technical men.

We hold this to be analogous and maintain that the present attempt of the government to conduct its labour affairs is like a power company without a code of operating instruction.

Cost-of-Living Index

Considerable dissatisfaction is met regarding the cost-of-living index and its relation to the actual commodity price rise, and we hold the view that fuller public understanding and co-operation would be attained if wider publicity were given to the method of computation, the classification

of commodities into necessities, luxuries, et cetera, the extent of subsidies and all other factors contributing to the final figure published quarterly as the cost-of-living index.

Mr. LALANDE: I might make an observation there. I note by the press that the Dominion Bureau of Statistics has been busy.

Mr. STANSFIELD: Yes, a statement is made by the consumer services regarding the percentages and the method of computation. I would suggest that is not enough. They could go farther, perhaps even to the extent to which they have gone in making clear the rationing coupon values, by some form of posters.

So, Mr. Chairman, may I summarize and ask:—

1. For closer control of Labour Unions and organizers.
2. That no form of workers' association be outlawed.
3. That a simpler consolidated labour code be formulated.
4. That wider publicity be given the factors involved in calculating the cost-of-living index.

Respectfully submitted,

The Association of the Shawinigan Water and Power Company Employees.

(Signed) WILLIAM STANSFIELD,
President.

Shawinigan Chemicals Limited Employees' Association:

(Signed) G. W. BERGERON,
President.

St. Maurice Transport Company Employees' Association:

AD. LEBEL,
President.

The CHAIRMAN: Do you wish to say anything, Mr. Bergeron?

Mr. G. W. BERGERON (Shawinigan Chemicals Limited Employees Association): Really I have not much to say. I presented this brief to our members and they agreed one hundred per cent. (Short remarks in French).

The CHAIRMAN: Thank you very much, gentlemen.

There are some briefs which have been forwarded from outside points to go into the record, as of to-day's date, without being actually read.

This will end the public inquiry as far as these hearings are concerned. I might mention in that connection that the answers to certain questions asked by the Trades and Labour Congress are in course of preparation. They will be filed, and in any event will be communicated to the Trades and Labour Congress, and, of course, to the press. The Trades and Labour Congress may wish to file a brief in reply; I do not know, but if they do they will have an opportunity, and in any event it will go into the record. Its contents will also be given to the press. We will adjourn now, subject to the possibility of hearing the Trades and Labour Congress on the question to which I referred.

REPRESENTATIONS OF CIMCO EMPLOYEES' ASSOCIATION

*Canadian Seafarers' Association.**Kelly, Douglas & Company Limited Employees' Association.**Rays Limited and Incorporated Companies Employees' Association.**The Marshall-Wells Employees' Association.**Spear & Jackson's Employees' Club.**The W. H. Malkin Co. Limited, Warehousemen and Truck Drivers Union.**Prefabricated Employees Association.*

TO THE

NATIONAL WAR LABOUR BOARD

To the Chairman and Members of the
National War Labour Board:

To-day National and International unions are taking advantage of the war emergency to build up large dues-paying unions in utter disregard of governmental policies and regulations. Many labour leaders are insistent that workers be not permitted freedom of action and association and are endeavouring to force closed shop and check-off conditions, with a view to building up large funds with ultimate political power in view; this at a time when thousands of our fellow employees have left their employment to fight and die in maintaining that freedom which these militant unions would take away.

We, as workers, are concerned primarily in security, security for ourselves and families and believe the basis of that security is continued industrial peace. We recognize that there are three major interests involved in industrial peace, namely, the public, the employee and the employer. All of these are inter-related. We believe it the duty of the government to protect and promote each of these interests, having due regard to the rights of the other—when one particular interest is neglected at the expense of the other or is encouraged or championed at the expense of the other, labour unrest is bound to follow with the result that the security of the worker is jeopardized.

Labour unions affect for good or bad the economic conditions of a country as they enter every business and industrial enterprise, and affect the public interest and can, therefore, be considered of a public use and have a great bearing on the *right to work*, which is the *right to live*. It is our considered opinion that as the public interest is paramount, all union activity should be regulated by legislation.

Since the outbreak of war, we in British Columbia have been practically free of strikes except in plants under federal jurisdiction, and because of this fact we would recommend that all industry in the province be placed under the jurisdiction of the Provincial Industrial Conciliation and Arbitration Act. However, if it is the decision of the government to establish federal compulsory bargaining, we strongly recommend that in drafting such legislation serious consideration be given to the following with the object of correcting what we believe to be the principal causes of labour unrest in the country to-day, namely:—

- (a) Bad leadership.
- (b) Disregard by unions of agreements entered into.
- (c) Irresponsibility of unions for their acts through not being corporate bodies.

- (d) Failure of the government to penalize for illegal strikes.
- (e) The insistence on "closed shop" conditions.
- (f) Jurisdictional disputes.

(1) To establish and maintain industrial peace, we would recommend in labour legislation that the term "Labour Organization" be substituted for "Trade Union" and "Labour Organization" defined as "any organization of employees organized or existing for the purpose, in whole or in part, of dealing with employers concerning grievances, labour disputes, wages, rates of pay, hours of employment or working conditions of any group of employees, or of bargaining collectively with employers on behalf of any group of employees."

(2) Employees should have the right to self-organization, to form, join or assist labour organizations or to refrain from any and all such activities.

(3) It should be unlawful for any labour organization to collect a sum of money for the granting of a work permit, or as a condition for the privilege to work from any person not a member of that organization.

(4) No labour organization to have the right to act as the bargaining agency for all the employees of a plant or operation unless it has at least 65 per cent of the employees affected as bona fide members of that organization.

(5) That as one of the principal causes of labour unrest to-day is the disregard by labour unions for their contractual working agreements, we would recommend that:

(a) All labour organizations be registered under the Trade Unions Act of Canada.

(b) That all labour organizations be required to become incorporated and to submit, for filing with central registry, complete financial statements of all fees, dues and assessments, together with itemized list of expenditures for the preceding twelve months' period, members to have access to this information.

(c) Copies of all working agreements to be filed at central registry.

(d) No strike or walk-out or cessation of work without same being authorized by a 65 per cent majority vote, by secret ballot of the employees affected.

(e) No agreement to be entered into on behalf of employees unless authorized by a majority secret ballot vote of the employees affected.

(f) That no cessation of work or interference with the progress of work by reason of a jurisdictional dispute, grievance or disagreement between or within labour organizations. We believe that most jurisdictional disputes are caused by the competition between national and international unions for the large number of potential dues-paying members, the result of expansion of war industries.

(6) Democratic annual election of all officers by secret ballot of those entitled to vote.

(7) Bargaining committee not to be appointed but elected by those entitled to vote.

(8) That no labour organization influenced, dominated, controlled or financed by the employer to have legal status as a labour organization in any legislation.

(9) All members of a plant or operation, employer and employee alike, to have freedom of action and speech in declaring his opinion on organization of a bargaining agency.

(10) Picketing by force and violence, or to picket en masse, or to prevent ingress or egress to or from any premises, or to picket other than in peaceful manner to be illegal, and then only by employees of the plant on strike.

(11) That the principle of closed shop should not be placed in effect except where same has been mutually agreed upon in writing by both parties, and further that the question of "closed shop" be not classed as a dispute.

(12) Considerable suspicion and dissatisfaction has been created because of representatives of national and international labour organizations on advisory governmental boards, and while we agree absolutely with the policy that labour should be represented where the public interest is concerned, we would, however, request that all labour appointees to such boards be obliged to sever their union connections while acting in such capacity, as is required of labour representatives on United States war boards.

In conclusion we would call your attention to the fact that not only in Canada but in the United States, as the result of high-handed action on the part of international labour organizations, the working man is turning to the democratic independent type of union for protection and security. A recent report by the National Labour Relations Board reveals that "during the year 1943, 678 independent unions participated in elections. The total number of eligible voters in these elections was 338,195. The unaffiliated unions won elections in 391 contests, or 57.7 per cent of the total participated in. Of these elections there were 127,834 votes cast for independent unions." These results indicate that unions which are not affiliated with either the A.F. of L. or C.I.O. hold a substantial portion of workers' votes, and indicate that there are thousands of employees who prefer to own and control their own union without outside dictation or interference.

Mr. Chairman, I realize that some of the above proposals might at first sight seem objectionable to professional labour union officials, but when it is considered that there are two other vital interests involved, namely, the public and industrial capital, upon which the working man must depend for security, and considering that the Department of Labour's latest official figures show a total national and international union membership in Canada of less than 350,000, while according to the Bureau of Statistics there are over three millions of independent Canadian workers and wage earners in addition to the 750,000 wage earners now serving in the armed forces whose interests, while absent from their employment, should be protected in any new legislation, we feel it our duty to bring these matters to your attention.

Sincerely and respectfully submitted on behalf of the organized independent workers in British Columbia.

BRIEF PRESENTED BY THE FEDERAL UNION OF ARSENAL WORKERS
OF QUEBEC (LOCAL 23154, A.F. OF L.)*

To the National War Labour Board, Ottawa:

This brief is presented on behalf of nine thousand employees, men and women, working in three arsenals at Quebec and Valcartier.

Since 1939, the three arsenals at Quebec and Valcartier have had to increase the number of employees to meet the assigned production schedule in their contribution to Canada's war effort.

These workers, men and women, were employed at extremely low wages. Some, moreover, were paid lower wages than those decreed by the minimum wage laws and these salaries were not even uniform.

In 1940, a great many persons were already working in the arsenals and the number was increasing steadily. There were then several thousand workers. At the beginning of 1941, these workers, no longer being able to work at those

*See pp. 599, Vol. VIII, for earlier submission.

salaries, decided to appeal to the proper authorities for wage increases which would at least balance the higher cost of living, which was mounting steadily.

Nothing was done as the result of this appeal to improve the status of those thousands of workers, men and women, who were putting in long hours of work in order to give a maximum production. These workers of both sexes, who were unable to protest more than slaves under an inhuman administrator, unmindful of the sufferings and misery of these ill-paid employees, working under disgraceful conditions, became impatient.

Days and months passed without any improvement being made in the condition of these workers, except in the case of a few favorites, who obtained wage increases of from two cents to five cents. The others received only promises.

It was then that the workers of the three arsenals decided to form Local 23154 of the Federal Union of Arsenal Workers of Quebec to protest against the sabotage of the workers' rights and to negotiate more successfully with the administration of the arsenals in order to come to a satisfactory agreement in the best interests of the parties concerned.

The Federal Union of Arsenal Workers of Quebec, in order to co-operate with the authorities and to improve conditions for the employees, formulated a reasonable labour contract (a copy of which is attached to this Brief). In order to present this contract, three negotiating officers were designated and accepted by both parties who began negotiations immediately. The representatives of Local 23154 met many times with the superintendent, but the conferences failed to produce the desired results.

On May 12, 1942, we received our American Federation of Labour charter and continued negotiations. Arsenal officials accepted in principle the said labour contract by giving their word of honour.

Despite the superintendent's word of honour, the contract was violated nearly in its entirety. It was then that the workers, disgruntled by the shameful conduct of this man, decided to protest against the administration and the injustices of the said man.

Mr. Raoul Trepanier, conciliatory representative of the Federal Government, then intervened. Union officials, seeking to end the dispute in a friendly manner, urged the workers to listen to Mr. Trepanier and learn how he intended to rectify our grievances. The workers satisfied for the moment, agreed to accept Mr. Trepanier's promises and propositions.

Once again negotiations got under way with the help of Mr. Trepanier. We gave new hope and calmed the workers. Some wage adjustments were made with a little injustice, but nevertheless this gave some hope which was not to last long, unfortunately.

The employees, no longer able to have any confidence in any of the premises, decided once more to quit work and the executive, knowing the rights of the worker to protest against the injustices done them by the authorities, communicated with Mr. Trepanier.

This time the Union accepted a new means of negotiating by a written brief. This system was immediately put into operation. Several weeks later copies of the brief were sent to Mr. Trepanier and he himself handed them over to arsenal officials who were to study and discuss them with the shop committees and later return them to Mr. Trepanier, who would give them back to the union for verification and a counter-answer, if there were one, and finally to give these to Mr. Trepanier who would submit them to the Labour Department at Ottawa. But this was not done and the brief was returned for the fourth time to the superintendent of arsenals.

And that is the comedy which has been unfolding between the arsenals and the workers since the year 1939.

The actual regulation of the punching of time is exaggerated and unjust and we are asking that the following change be made: for tardiness of one minute, fifteen minutes would be lost; for sixteen minutes, thirty-one minutes would be lost, and for thirty-one minutes one hour would be lost.

Install clocks in order to avoid loss of time on checking out.

The Federal Union of Arsenal Workers of Quebec (local 23154) through its executive has submitted to you the story of the said workers relations with the officials of the Quebec and Valcartier arsenals.

The said executive, in the name of its confreres and sisters, submits to you a detailed summary of its grievances on the wages and working conditions in the arsenals at Quebec and Valcartier and asks you to approve and order the salaries and working conditions mentioned in the preceding paragraph.

Summary of the Grievances in Working Conditions

1. The majority of both the male and female workers leave their homes at an early hour; sometimes without eating and generally eating little and they have to wait until 12.30 for lunch. The greater number are unable to stand the strain, or do so with great difficulty, which sometimes occasions illness causing delays in production.

Sometimes the relatively unappetizing meals cause the workers to eat little in the eight hours of the working day.

2. If the workers bring some food to permit them to withstand the strain and these workers are caught eating, they are given "holidays". If these workers become ill and quit work for some time, they are obliged to punch their time on leaving and on re-entering and this time is lost.

3. In the Valcartier arsenal the trains which transport the workers are not very comfortable; but the workers make the sacrifice, except that in these trains there is no drinking water, something which should not be tolerated.

4. The train which transports the workers from Quebec to Valcartier and vice versa should stop at the Laitet station in Limoilou as it does in Loretteville, since in travelling to central station the Limoilou workers must cross a bridge which is often open at the hour when the train leaves.

Summary of the Wage Grievances

1. The salaries in general are not sufficient to balance the high cost of living.

2. Salary actually paid: the worker, whether married or not, receives 45 cents to 55 cents per hour.

In the special explosives department, the operators of the bullet machines receive 55 cents to 65 cents an hour. Some get 70 cents.

The chargers receive 70 cents to 75 cents and a few 85 cents an hour.

Assistant chargers get 65 cents.

Mixers 70 cents to 85 cents.

3. Moreover in the explosives department there are workers receiving from 50 cents to 60 cents.

Besides the danger of working at these explosives, there is also the peril of contracting various skin diseases.

4. In this department, the girls receive wages of 40 cents to 58 cents an hour. This department is a special one and the salaries are not sufficient for the risk. (Department 25).

5. In departments 32 and 33 the girls receive 35 cents to 45 cents an hour.

6. Tradesmen, such as, mechanics, machinists, millwrights, blacksmiths, engineers and furnace men, electricians, plumbers, carpenters, settlers, painters, rolling mill smelters, et cetera, receive salaries varying from 60 cents to 75 cents. Some favourites receive 80 cents and 85 cents an hour.

7. There is a promise of retroactive wage increases but arsenal officials remark as an excuse "You have lost time" or "You are under observation". And again favouritism or injustice reign to the advantage of a few.

8. In the wages, there is a difference of between 5 cents and 10 cents and sometimes 15 cents an hour between employees who are doing exactly the same work.

Generally tradesmen and specialists are incorrectly classed and the majority are paid the same wages as ordinary workers who have become machine settlers with the salary of 70 cents to 75 cents, being rather low for a settler, which shows clearly that tradesmen are badly paid and unjustly treated.

May we draw your attention to the case of the electricians particularly. These expert workers, who assure the maintenance of a plant and work under dangerous conditions, are not paid in comparison to the other trades, for when they should have higher wages, they are receiving only 70 cents an hour, which is shameful.

9. Seniority is not respected and this is preventing workers from receiving the salary which they merit because of injustice on the part of the employers.

Demands of the Federal Union of Arsenal Workers of Quebec (Local 23154)

The Federal Union of Arsenal Workers of Quebec (Local 23154) asks for the same working conditions that are in force in the United Kingdom Inspection Board, which is in the same building; that is, the following conditions: to have places for refreshments during the various shifts, ten minutes before noon and during the afternoon, four days' sick leave for women and two for men, and a week of paid holidays.

Respect for seniority, the rectification of errors in the income tax deductions with the shortest delay possible, and the back salary.

A ruling on these questions should give the workers justice and the authorities satisfaction.

Barrister's Address on the Grievances Submitted

Mr. President:

We, the undersigned, have been officially named by the executive of the Federal Union of Arsenal Workers of Quebec (Local 23154) to appear before the National War Labour Board's inquiry on wages and working conditions presently sitting in Ottawa, under the presidency of the Honourable Justice McTague and commissioners Lalande and Cohen.

Having been summoned for Tuesday, the first of June, 1943, at 2 o'clock p.m., we were present and submitted a summary of the Brief. We explained verbally the grievances in regard to wages and working conditions.

The whole matter was typewritten and submitted to the file of Local 23154 and to complete this file we submit, as requested, a memo of the Brief in five copies.

Gentlemen, we are placing before you the situation of 9,000 munitions workers who are doing their utmost for Canada's war effort. The sacrifices of

these workers should be recognized and justice given them. These thousands of workers have their eyes fixed on this inquiry and are awaiting impatiently the result of this Brief.

You have now, Mr. President, the fate of these workers in your hands and we are counting on the justice of an impartial inquiry committee.

(Signed) L. LAROSE,
President

(Signed) CHAS. N. LeBEL,
*Federal Union of Arsenal Workers of
Quebec, Local 23154*

LABOUR AGREEMENT PASSED BETWEEN THE FEDERAL UNION OF
ARSENAL WORKERS OF QUEBEC (Local 23154)

A. F. of L., affiliated to the Canadian Congress and
The Provincial Federation
and
The Dominion Arsenal of Quebec

The Federal Union of Arsenal Workers of Quebec, in the first article of the present agreement, asked as follows:—

- (1) That from the first of June, 1942, the labour conditions and salaries will become effective and will remain in force for a period of twelve months, from year to year, unless a thirty-one day notice is given by either of the parties desiring to amend this agreement.

The Administration of the Quebec Arsenal acknowledged by this agreement that:—

From October 5, 1942, the labour conditions and salaries will become effective and will remain in force for a period of twelve months, except if the Administration of the Arsenal is able to increase anyone's wages, in which case the Administration will not wait a year to do so.

Wage readjustments and the question of grievances will be retroactive beginning September 28, 1942.

The Federal Union of Arsenal Workers of Quebec, in the second article of the present agreement, asked as follows:—

- (2) It is understood that the shifts will work eight hours a day and will be paid time and a half after eight hours of work daily; and that the work-week will be forty-eight hours.

The Administration of the Quebec Arsenal acknowledged by this second article that:—

This demand for time and a half after eight hours of work daily is recognized by the Arsenal Administration and has been submitted to the National War Labour Board for approval.

The Federal Union of Arsenal Workers of Quebec, in the third article of the present agreement, asked as follows:—

- (3) That the following holidays: New Year's Day, Epiphany, Ascension Day, St. Jean Baptiste Day, Confederation Day, Labour Day, All Saints' Day, Immaculate Conception Day, as well as Christmas Day, should be recognized as holidays with the same wages being paid as on a regular working day.

That the employee should be paid double time if called upon to work on any of the holidays mentioned in the preceding section of the present article.

That all supplementary work should be equally divided among the men and the women, in their respective groups.

The Administration of the Quebec Arsenal acknowledged by this third article that:—

- (3) This question having been studied by the Federal Government, the Administration of the Quebec Arsenal will follow the Government's directive, which reads as follows:—

Besides Sunday or any other rest day of the week designated to replace Sunday, an Order in Council has established the following legal or statutory holidays:

New Year's Day, Good Friday, the first Monday of July, Labour Day, Thanksgiving, and Christmas.

Only these legal holidays should be observed by both management and labour for the duration of the war, the Order in Council states, adding that (like in the past) workers should be given reasonable time off in order to exercise their religious duties. The Order also stipulates that all collective labour agreements should be suspended for the duration of the war, with the mutual consent of the contracting parties, but pending that, suspension should remain in force and continue to be applied. Workers will be paid time and a half for these working days.

Regarding the equal division of supplementary work, this is in the hands of the Shop Committee.

The Federal Union of Arsenal Workers of Quebec, in the fourth article of the present agreement, asked as follows:—

- (4) That if a reduction in personnel becomes necessary, the employee engaged last in his particular trade should be the first suspended.

Re Paragraph (a) The list of those employees to be suspended should be posted up and a seven-day notice given under the National Selective Service regulations.

Re Paragraph (b) The Administration of the Arsenal shall have no jurisdiction and will follow the directives of the Federal Government in the case of Veterans.

Re Paragraph (c) This article is recognized, i.e., when a vacancy occurs or new positions will be open, the senior employee qualified for this work will have the preference in being employed.

The Federal Union of Arsenal Workers of Quebec, in the fifth article of the present agreement, asked as follows:—

- (5) A list of the workers' names should be kept by the foreman, who will be responsible for the distribution of supplementary work, and a copy of the hours made should be furnished to the union committee every three months.

The Administration of the Quebec Arsenal acknowledged by the fifth article of this agreement that:—

A list be furnished as requested.

The Federal Union of Arsenal Workers of Quebec, in the sixth article of the present agreement, asked as follows:—

- (6) In cases of emergency, men called outside of regular working hours will receive a minimum of three hours' work and will be paid time and a half from the time of departure from his residence until his return.

The Administration of the Quebec Arsenal acknowledged by the sixth article of this agreement that:—

This clause is accepted in its entirety.

The Federal Union of Arsenal Workers of Quebec, in the seventh article of the present agreement, asked as follows:—

- (7) If the union ever needed three persons to act as business agents, in the interests of the workers, the Union would have the right to choose from its members working in the arsenals, and these persons would have the right to meet competent arsenal officials at any hour of the day on request in order to discuss the workers' grievances, and these business agents would have a general pass for all the Quebec Arsenals. If it becomes necessary to replace any one of these business agents, they should be permitted to take back their former position losing their seniority.

The Administration of the Quebec Arsenal acknowledged by the seventh article of this agreement that:—

If the Union should need three persons to act as business agents, in the interest of the workers, the Union should have the right to choose from among its members working in the Arsenals, and these persons should have the right to meet with competent Arsenal officials "on appointment" to discuss the workers' grievances. If it should become necessary to replace any one of these business agents they should be permitted to take back their former position without losing their seniority.

The Federal Union of Arsenal Workers of Quebec, in the eighth article of the present agreement, asked that:—

- (8) If any employee covered by this agreement believes he has been treated unjustly or that an article of this agreement has been violated, the Committee should submit the case to the foreman and if no arrangement can be made, within the shortest possible time, the Union Committee will ask the Superintendent to hold an inquiry, which should be held within 48 hours after receipt of the demand, and if the Committee is not satisfied with the inquiry, or fails to obtain such an inquiry from the Superintendent, it should have the right to appeal to officials of the Dominion Arsenal, in their respective order, as far as the Minister of Munitions and Supply, and an interview will be given without any further delay.

If a typewritten report of the inquiry is made, then the Union Committee should receive a copy.

If it is recognized that an employee has been laid off unjustly, or if justice has not been done him, this employee should be reinstated and paid for the time which he has lost.

The Administration of the Arsenal acknowledged by the eighth article of this agreement that:—

This clause is recognized in its entirety by the direction of the Arsenal and that if the Committee maintains that an employee has been treated unjustly, it has the right to submit the case to the Administration.

The Federal Union of Arsenal Workers of Quebec, in the ninth article of the present agreement, asked as follows:—

- (9) All conferences between Union and Dominion Arsenal officials, which are held with the Union Committee during regular working hours, should be done so without loss of wages to the said Union Committee members.

The Administration of the Quebec Arsenal acknowledged by the ninth article of this agreement that:—

The Administration of the Arsenal has always recognized this clause.

The Federal Union of Arsenal Workers of Quebec, in the tenth article of the present agreement, asked as follows:—

- (10) No discrimination whatsoever should be made by the officials or the Minister against employees who complain to the Union Committee, and for which the said Committee will plead the case of the employee, covered by the present agreement.

The Administration of the Quebec Arsenal acknowledged by the tenth article of the agreement that:—

All possible steps will be taken to insure that there will be no discrimination.

The Federal Union of Arsenal Workers of Quebec, in the eleventh article of the present agreement, asked as follows:—

- (11) In order to eliminate any discontent, the Union has decided that beginning when the present agreement becomes effective, all tests will not be any part of a fixed department. Former employees will benefit by this clause.

The Administration of the Quebec Arsenal acknowledged by the eleventh article of the agreement that:—

This clause is not necessary in war-time, and all the tests are suspended, but it is understood that the candidate must prove that he can do the work assigned him.

The Federal Union of Arsenal Workers of Quebec, in the twelfth article of the present agreement, asked as follows:—

- (12) Concerning illness and accidents incurred during working hours, the patient will have the privilege of seeking any physician he so desires, and his whole salary will be paid him until he is reestablished as he was formerly.

The Administration of the Quebec Arsenal acknowledged by the twelfth article of the agreement that:—

This clause is not applicable since doctors are named by Ottawa, and regarding the payment of wages during lost hours, this has always been recognized by the Administration.

The Federal Union of Arsenal Workers of Quebec, in the thirteenth article of the present agreement, asked as follows:—

- (13) The Union urges that all possible means be taken to avoid accidents in the various departments, and that a Committee of two Union members and a foreman be formed in each factory in order to seek means to eliminate all the danger possible.

The Administration of the Quebec Arsenal acknowledged by the thirteenth article of the agreement that:—

The direction of the Arsenal has always asked and will continue to ask in the future that all employees suggest means of avoiding accidents.

The Federal Union of Arsenal Workers of Quebec, in the fourteenth article of the present agreement, asked as follows:—

- (14) In order to have the best production possible and to use available manpower to the greatest advantage, the Dominion Arsenal, should furnish only one operator on each machine, seeing that the said machine is not automatically operated.

The Administration of the Arsenal acknowledged by the fourteenth article of the agreement that:—

This clause was always observed for the welfare of the worker.

Miscellaneous

NO UNION DISCUSSION SHOULD BE HELD ON THE WORK. ALL THE MEN AND WOMEN IN CHARGE OF A GROUP SHOULD RECEIVE HIGHER WAGES THAN THOSE SERVING UNDER THEM. ALL MEN AND WOMEN, REPLACING AN EMPLOYEE TEMPORARILY, SHOULD NOT HAVE THEIR WAGES DIMINISHED IN ANY WAY WHATSOEVER.

If for reasons of illness, contracted in any of the various departments, the employee must be transferred from that department, his salary will remain the same as that which he was earning under his former employer, by whom he was discharged for obvious reasons.

LOUIS LAROSE,

President.

JEAN YVES PICARD,

Corresponding Secretary.

Notes taken in the office of Brigadier Theriault, "Palace Hill", during a conference with the latter on Saturday, March 6, from 2.45 p.m. to 6.00 p.m.

There were present:—Mr. Raoul Trepanier, Industrial Relations Officer, Brigadier Theriault, Director of the Quebec Arsenals, Major Couture, Messrs. Fuller, Genest, Victor Francoeur, General Organizer of the American Federation of Labour, Louis Larose, President of the Federal Union of Arsenal Workers of Quebec, J. M. Laplante, M. Boucher, and Miss J. Boucher.

Reading of the labour agreement between the Dominion Arsenal and the Federal Union of Arsenal Workers.

Clause No. 1—O.K.

Clause No. 2—O.K. after explanation.

Clause No. 3—Remains as is.

Mr. Larose:—We are asking time and a half after eight hours' work a day and as it is at present, we are working forty-eight hours, The Brigadier wrote and was refused.

Brigadier Theriault:—There was a misunderstanding. I got the wrong impression. Do you remember that you told me that at Morton's time and a half was paid after eight hours? I relied on this to make my demand to Ottawa. I received an answer that it was not paid. And I was refused. There was nothing for me to do.

Mr. Trepanier:—All war contracts are based on forty-eight hours of work.

Brigadier Theriault:—You are certain of that?

Mr. Larose:—If working forty hours a week and there is a request to work on Sunday, time and a half is paid.

Brigadier Theriault:—On holidays and Sundays we shall pay time and a half. If, in case of an emergency, we decide to call the whole shop, we shall pay time and a half. If you work one hour and a half, we shall pay you three hours and if you work three hours, we shall pay you four and a half hours.

Clause No. 5—O.K.

" " 6—O.K.

" " 7—O.K.

" " 8—In future

" " 9—O.K.

" " 10—In future

" " 11—O.K.

" " 12—In future

" " 13—O.K.

" " 14—In future

Mr. Larose:—The best way to come to an understanding is to return to our labour agreement. Good or bad, let it remain that way in both the interest of the worker and yours. No more wage increases; no more individual increases, but a readjustment in wages. The question is simple. From what I can see and from what I understand, those who are receiving individual increases are the persons who are in the civil service. Those who are in Local 23154, as a result, complain and with good reason. From my point of view I think we are following bad politics.

Mr. Trepanier:—The Valcartier manager and the manager of the Palace Hill Arsenal are here. Bid them enter.

Mr. Larose:—I was saying that those who have received wage increases are persons who are in the Civil Service.

Messrs. Fuller, Couture and Genest:—Besides those who are in the shop committees, we do not know which ones are in the International Union and the Civil Service.

Mr. Larose:—Would there be no way for us to continue the contract until September 28, 1943, with the readjustments being made; because there are workers who are earning 50 cents an hour, while others alongside them are doing the same work for 65 cents, and 70 cents an hour. It is not always just. Instead of having made a total revision, salaries were increased individually. When we were speaking of the contract the Brigadier remarked to me that if he saw that someone merited an increase, he would not wait until the end of the year.

Mr. Laplante:—The demands are made by the members themselves. One has 70 cents an hour, and the other does the same work and he gets 75 cents. He merits the same salary as his fellow worker. Do you not think that in the interest of justice it would be favourable to pay all equal wages? One receives 80 cents and the other 85 cents. If this were done, you would hear no further complaints and we would come here no more. A uniform wage in all departments would satisfy the workers.

Mr. Boucher:—Take us for instance. Before, chargers were working on a scale of five cents an hour. At the beginning, the foreman had 50 cents, the charger 55 cents, and the mixer 60 cents. What we want is to have wages readjusted. For several months you have made a difference of 10 cents an hour. For a year now we were supposed to have had a raise. The Brigadier told me, "Give me the lists of the salaries paid in Montreal and Ontario and I shall pay you the same". I gave him one.

Brigadier Theriault:—The list was no good. I took the trouble to go to Montreal and I made Major Couture phone Mr. Larose to tell him that we were paying better at Quebec than at Cherrier.

Mr. Fuller:—The work which you do is not more dangerous than the mixers, Girls can do that work. When I gave increases, I gave them to those who merited them and I never had the intention to increase the wages of those who are in the Civil Service more than those in the International Union. Besides those who are in the shop committee, I ignore those who belong to the International Union.

Brigadier Theriault:—I advised them on that point also.

Mr. Larose:—When this contract was completed, I did not see it, but it appears that Mr. Genest had taken all the men and asked them whether they were satisfied with their conditions. That is what was reported to me.

Mr. Genest:—A large number of workers wanted wage increases. I wanted to know those who had the right to get one and those who did not, not what unions they belonged to. I wanted to explain simply who I believed had a right to some kind of adjustment. I told them: If you have the right to get one, you should bring your complaint to the Brigadier.

Mr. Francoeur:—The greatest number of complaints which I heard came from persons who were doing the same kind of work as others and receiving lower wages.

Mr. Genest:—All wages were readjusted, to the best of my knowledge, retroactive from September 28, 1942.

Brigadier Theriault:—Have you any others? You had better check on that.

Mr. Larose:—It took two or three months before some of the tradesmen in the toolroom received their right pay. The first list which Mr. Genest made was the most logical. On the first one all the wages were readjusted. He gave it to the Brigadier, who said, "Draw me up another one".

Brigadier Theriault:—It was impossible to give general wage increases.

Mr. Trepanier:—For any increase, you would have had to present your list to the National War Labour Board. They would have held an inquiry.

Mr. Laplante:—About the appointment at St. Malo.

Mr. Couture:—I told you already and it is still the same. He was transferred at the same salary. He is not foreman and he was not placed there as assistant foreman.

Brigadier Theriault:—He was not placed there with the idea of being named assistant foreman.

Mr. Trepanier:—According to your information, he was transferred as an ordinary worker?

Brigadier Theriault:—Exactly.

Mr. Trepanier:—Regarding the punching of time, I was informed that in some departments one quarter of an hour was lost and in others one hour.

Brigadier Theriault:—Note that.

Mr. Larose:—To-day, members of the Civil Service are favoured more than those who belong to the International Union.

Brigadier Theriault:—Give us some names.

Mr. Larose:—I shall. There is a boy at St. Malo who asked his foreman for another job. He answered, "If you belonged to the Civil Service, I could do it for you".

The foreman is Mr. Gagnon of the St. Malo rockwell. The employee is Mr. Filion.

A young girl, Miss Jeanne d'Arc Cloutier, of Valcartier, was given a "holiday" because she punched the card of a man who was working alongside her. That is not a reason to put that girl out.

Mr. Fuller:—She did not tell you that she had answered the floor-lady who told her it was prohibited to punch someone else's card. She had answered: "I have no orders to take from you".

Mr. Larose:—The identical thing happened here at the Palace Hill arsenal to Messrs. Lavoie and Richard and they only received a one-week "holiday".

There is one thing that never works because your foremen are not fair. There was one woman, for instance, who was laid off, just after another had told me she was in the right. She was given a "vacation" because the floor-lady did not like her.

Mr. Trepanier:—The Brigadier has full knowledge of the case of Hervé McKinnon. I have asked him to reinstate him as a personal favour.

Mr. Laplante:—What do you intend to do regarding Mr. Jacques and that tool box? After all, I think it is very childish.

Mr. Couture:—The Brigadier will decide.

Mr. Larose: If you place each man in the right category with uniform wages, I am sure you will have no more trouble, since that is the only sore spot.

Mr. Boucher: There are girls who contract pimples and are transferred to different departments. According to the contract, their salary should remain the same.

Brigadier Theriault: A girl who contracts pimples and can no longer work in the same department cannot receive the same wages. It depends on her temperament. We cure her and during this time she receives the same pay as she had before. After that, we place her in some job that is suitable to her. She keeps her seniority.

Mr. Laplante: In her category?

Mr. Trepanier: If a person works ten years in the 303 and after that time we decide to put her in the .55 department, she keeps her seniority. It matters little whether she is working in 303 or in .55; it is all the Arsenal. It is not her fault if we transfer her.

Mr. Boucher: I can guarantee that the regulations are not observed. Regarding the quantity of plate which we produce daily, there is not one man who is observing the regulations.

Mr. Fuller: I never asked anyone to make a limited number, nor 300 or 400. Never have I laid a man off because he made less than another. All I ask is that the work be done as carefully as possible.

Mr. Boucher: What should we do when the foremen keep on ordering us to do more than the ones on another shift?

Mr. Trepanier: Do your work carefully, follow the regulations, and if a foreman tells you to work faster, regardless of the regulations, report him to Mr. Fuller.

Mr. Fuller: Certainly, I should be glad to know about it.

SUBMISSION BY VANCOUVER LABOUR COUNCIL, CANADIAN CONGRESS OF LABOUR, TO THE NATIONAL WAR LABOUR BOARD INQUIRING INTO PROBLEMS OF LABOUR RELATIONS THROUGHOUT THE DOMINION OF CANADA

GENTLEMEN:

Vancouver Labour Council, representing 10,000 trade unionists affiliated with the Canadian Congress of Labour at the Pacific Coast, desires to present for consideration of the Board, the following suggestions of policy as seeming to be essential to the maintenance of peace in industry to the end that there shall be no hindrance to a maximum war effort.

1. *Definite Labour Policy*

First and foremost requirement is a definite and unequivocal Dominion Government labour policy which embodies and implements in practice, full and complete recognition of the right of organized labour to an equal voice in the regulation of industrial and other public affairs with organized employers.

Hitherto, from time to time, the Prime Minister and members of the Dominion cabinet have verbally acknowledged the justness of the principles of trade unionism and of collective bargaining, but such acknowledgment is useless and futile unless implemented by legislation. This legislation is not now on the Canadian Statutes and unless and until it is so enacted by the Dominion Parliament there can be no reasonable expectation of harmony in Canadian industry.

An Act of Parliament clearly and definitely establishing the right of all wage earners to organize into trade unions, and to bargain collectively with their employers through representatives of trade unions of their own choice, and with clauses in such act compelling all employers of labour, government, corporate and private alike, to negotiate with, and to sign mutually acceptable agreements with their employees, and based upon these legal rights, must be enacted before it can be said that these principles have been adequately recognized.

Recommendation

Vancouver Labour Council, therefore, recommends that an Act, based on the British Columbia Industrial Conciliation and Arbitration Act, be enacted by the Parliament of Canada in order that wage earners in all parts of the Dominion shall be guaranteed certain minimum rights, and shall be permitted to enjoy the exercise of such rights without interference by court procedure or the hostility of reactionary employer interests.

2. *Wage Freezing Unjust*

While recognizing the need for measures to avert inflation, and accepting the Government's wage-freezing policy as a war measure—even though its justification may be open to doubt—this council maintains that the blanket policy which has been made effective by the Government through Order in Council has inflicted rank injustice upon thousands of low-paid and underpaid wage earners in Canada.

The wage-freezing order was promulgated without regard for the fact that owing to the absence of adequate Dominion legislation, and also to obsolete and reactionary Provincial Labour Statutes, tens of thousands of wage earners were receiving wages much below the sum required for even the most conservatively-estimated Canadian standard of living.

In numerous other cases, skilled and semi-skilled workers, owing to the organized resistance of unfair employers aided by the lack of a well-defined government labour policy, were receiving wage rates much below the rates paid to workers engaged in similar occupations in other parts of Canada, and which had been ruled as fair by arbitration boards and officers of various government labour departments. Efforts made by workers and trade union leaders to correct these abuses by means of National and Regional War Labour Board machinery have been largely nullified by employers who have sought to benefit by the chaotic state of Dominion labour legislation.

Unless and until a definite and organized effort is made, on government initiative, to correct these widespread injustices, the wage-freezing legislation will continue to be a source of unrest throughout Canadian industry with inevitable interference with the war effort.

Recommendation

Accordingly, Vancouver Labour Council urges the enactment by the Canadian Parliament of an Act providing for minimum wages to be paid for labour, and that such wages be not less than will provide for every Canadian worker an adequate Canadian standard of living.

3. *Cost of Living Bonus*

The anomalous conditions now existing throughout Canada with regard to the payment of cost of living bonuses, whereby one fortunate section of workers receives a cost of living bonus as from October, 1939, whereas others, equally affected by increased prices since the war began, receive only a small fraction of that total, are a source of acute irritation and unrest.

This policy, the reason for which has never been satisfactorily explained, would almost appear to have been designed expressly to set up discriminatory conditions as between one set of workers and another. The amazing situation in which employers who appreciate the injustice of the situation and who are quite willing to apply a remedy are forbidden to do so is something not to be found in the war legislation of any other country on the Allied side in this war. It is unique but not something of which the Canadian people as a whole can be proud.

Recommendation

Vancouver Labour Council, therefore, recommends that an amendment be made to existing cost of living bonus regulations to provide for revision of all less-than-maximum bonuses now being paid, with each rehearing being judged on its merits, and with due regard for the real wages of all wage earners; and further, that the National and Regional War Labour Boards be authorized to order payment of cost of living bonuses based on the facts as ascertained, and reflecting accurately the actual increase in living costs of the workers concerned as between October, 1939, and the present time.

4. *Cost of Living Index Figure*

Vancouver Labour Council, first labour organization in Canada to draw attention of the Government to the need for a permanent revision of the method of constructing cost of living index figures, submits again, that owing to the wide geographical expanse of Canada, the use of one index figure is wrong in that it cannot accurately reflect all the wide variations in economic conditions prevailing at all times in various parts of the Dominion. Accordingly it is entirely inadequate for the purpose of determining the correct adjustments necessary from time to time in the amount of cost of living bonus for workers.

A more accurate reflection of the variation in the price structure from time to time would be obtained by dividing the Dominion in several economic zones and compiling an index figure for each such zone individually.

Appended herewith we submit a graph and tables of monthly indices which reveals an amazing disparity between the average of all-Canada prices and British Columbia prices. For the purpose of this illustration we took 22 essential food commodities common to all Canada, with prices as quoted in Labour Gazette from October, 1942, to April, 1943, inclusive, and weighted each commodity in accordance with the ratios used by the Dominion Bureau of Statistics.

Attention is drawn to the lack of conformity of the two curves on the graph for at least half of the period under review, and particularly to the wide spread obtaining as between the All-Canada index and that for British Columbia in the months of February and March, 1943. Since these 22 commodities represent a substantial factor in the official index figure it is obvious from this comparative graph that the rise in the cost of living in British Columbia as compared with the average for all Canada is not reflected in the official index.

From another standpoint the use of the All-Canada index appears opposed to British Columbia workers' interests. The graph lines—especially in 1943—indicate a tendency to vary in relationship to one another in a most irregular fashion and there is clearly indicated a danger that at some period the All-Canada index might trend downward while the British Columbia price level was still rising. Such a development would put British Columbia workers in the position of being forced to accept a reduction in bonus—as provided by law when the index falls—while actually they were compelled to pay increasing prices for living essentials. Such an anomalous situation could not occur if British Columbia in common with other economic districts throughout Canada had individual cost of living indices.

In this connection it is pertinent to note that when Order in Council P.C. 7440 was promulgated in 1941, certain British Columbia unions were induced by the authorities to forego the right to wage adjustment on the basis of a British Columbia index, as provided for in their working agreements, and to accept instead, the Canada index figure. Assurance was given at that time that there would be no great differential as between the British Columbia index and that for all Canada. The graph reveals, at least in part, how great a disadvantage these wage earners have suffered.

While it is admitted that price differentials will occur as between one district and another even within the borders of the proposed economic zones, it is certain that the index thus compiled will be a more accurate approximation of real conditions than ever can be attained by means of an index covering 3,000 miles of country ranging in climate, for example, from five months of solid winter to the all-year-round mildness which obtains at the Pacific Coast.

Recommendation

Vancouver Labour Council urges that the present All-Canada index figure for the purpose of applying or adjusting cost of living bonuses be dispensed with and that the Dominion Bureau of Statistics be authorized to compile

separate indices on the bases of prices prevailing for commodities regularly entering into the cost of living, for each of four or five well-defined economic zones throughout Canada, and that British Columbia from its eastern boundary to the Pacific coast and adjacent islands be one such economic zone; and further that all future adjustments of the cost of living bonus in British Columbia, as in other proposed zones, be based on the index figure applicable to the economic zone concerned.

5. *Basis of Index Defective*

In view of the fact that at the present time the chief purpose of the Cost of Living Index is to determine adjustments of cost of living bonuses paid to wage-earners, Vancouver Labour Council contends that the 1,439 so-called typical families selected by the Bureau of Statistics in 1937-1938 as a basis for this index are wholly unrepresentative of the vast majority of citizens whose incomes are affected by it. The range of earnings of these "typical" families is from \$600 to more than \$2,500 a year, and the average, as stated by the Bureau is \$1,453 a year. This average represents nothing exact. The 1941 Dominion census revealed that 55 per cent of all male wage earners in Canada received in wages less than \$1,000 a year, and further, according to calculations released by the Bureau of Statistics on April 28, 1942, only 20.5 per cent of Canadian male wage earners received over \$1,500 a year. Obviously, the average wage of \$1,453 a year earned by these "typical" families is not the wage received by a majority of the 1,439 families. In any event, as witness the statements made by the Census and Bureau authorities, such an annual wage is by no means representative of the normal wage of Canadian workers.

It would be more accurate, in our opinion, to base the Index upon a median wage—i.e., that wage having an equal number of wage income above and below—or, alternatively, a mode wage, i.e., the wage around which the greatest number of wage incomes is gathered.

Furthermore, the detailed household expenditures of the "typical" families are not accurately representative of the family expenditures of many thousands of wage earners' families. As a result there are important omissions from the data upon which the index is based. No attention is paid, for example, to the fact that many thousands of workers are employed outdoors in all weathers; dryback clothing is an important item with them; heavy work boots, work gloves and other items, the prices of which in many cases have increased enormously, are not included in the commodities embodied in the index. Another remarkable omission is green vegetables, which in British Columbia at least, constitute a year round important article of diet in wage earners' families. This is a serious omission in view of the extraordinary price increases in these commodities.

Additionally, despite the almost universal use of tobacco and cigarettes, the Bureau ignores this commodity. Riding some strange reformist complex, for no reason that can be ascertained, the Bureau experts appear to dismiss tobacco as a luxury, regardless of the well-established fact that this is a commodity which no habitual user will do without regardless of cost. They further disregard the proven fact that the use of tobacco not only assists the worker in resisting fatigue but it is also unquestionably an important factor in maintaining morale. The emphasis placed on cigarettes for soldiers clearly evidences official recognition of this fact.

Finally, the index disregards the great shrinkage of workers' incomes by reason of heavy war taxation, with the result that orders are made and restrictions applied to wages which already have been depressed to the point where the worker is actually receiving less than sufficient to keep body and soul together. This is indubitably true of workers on fixed wage and who are not in war industry.

Here is an example of this invisible income reduction:

A single man who, in October, 1939, was receiving \$30 a week paid about 50 cents a week in Dominion and Provincial tax combined, leaving him a net income of about \$29.50 a week.

The same man, having had no increase in wages—and there are thousands of such cases especially in non-war industries—gets 60 cents a week cost of living bonus making his nominal income \$30.60 a week. But the employer must deduct \$7.15 in tax and enforced savings. This leaves a nominal income of \$22.45 for food, clothing and shelter, and any other obligations he may have.

Since 1939 however, the cost of living has increased by about 18 per cent, so that the purchasing power of the wage dollar, expressed in terms of 1939 purchasing power is only 84.7 cents. So that the man who had purchasing power of \$29.50 to meet his living costs in 1939 to-day has the equivalent of only \$19.01. Clearly simple justice demands that some account be taken by wage fixing and bonus fixing boards of such drastic income shrinkage.

Recommendation

Vancouver Labour Council accordingly, urges that the Dominion Bureau of Statistics be authorized to alter the basis of the Canadian Index figure and to base it upon a Median or Mode wage, whichever investigation proves most suitable, so that it will be more generally applicable to the generality of Canadian workers' incomes, and further:

That the items of price upon which the index is based be revised to exclude commodities obviously not coming within the regular buying range of wage earners' families, and to include items of working clothes, tobacco, vegetables, and also Dominion taxation so that the index as a whole shall be a more accurate reflection of the variations in the purchasing power of the net income of Canadian workers.

6. Bonus Tax Anomaly

The Board is requested to draw attention of the Dominion government to the inconsistency of carefully devising a scheme of cost of living bonuses and applying them by means of what purports to be a scientifically compiled index figure reflecting with some exactness the current variations in living costs, and then making regulations which require that part of such bonus shall be paid to the government by way of taxation. In the case of single men and married men in higher wage brackets, owing to the steeply graduated scale of income tax, not infrequently it results that nearly the whole of the bonus, granted by law ostensibly to compensate the worker for current price increases, is taken back in additional income tax payable.

Recommendation

Vancouver Labour Council urges that the Cost of Living bonus paid to all workers be made exempt from income taxation.

7. Recognition of Labour

The national slogan of the war "This time we are all in the front line" is nowhere more fully recognized than in the unions affiliated with the Canadian Congress of Labour, and every man and woman member of all those unions is heart and soul behind the effort to maintain maximum production so that the forces of oppression shall be thoroughly and speedily defeated. Labour has a right to be proud of its contribution in the war effort to date, but it recognizes that this contribution could have been, and still can be, as an equal partner with employers and the government in the conduct of the home front, and particularly in wartime industry.

Up to now the Dominion Government has repeatedly called on Labour to put forward greater efforts in industry, and to get behind and work for and subscribe to war finance drives, but there has been no definite recognition of the right of organized labour to equal partnership in this great effort.

Recommendation

Vancouver Labour Council recommends that representatives of Organized Labour be appointed to all special war boards and in this way be given a voice in the direction of the war effort which means as much to the present and future welfare of wage earners as it does to any other class in the community.

8. Labour Management Committees

The National War Labour Board is urged to take due note of the fact that one of the most potent factors in intensive war output is to be found in wide extension of Labour-Management Production Committees. This Council feels that responsibility for maximum production rests upon the shoulders of management and workers equally. Unfortunately, "the front office complex" described by Mr. Elliott M. Little, has tended to retard the growth of this new phase of labour relations in Canada despite the immense advantages gained from this source by industries in Great Britain and United States, and in the few Canadian plants where the experiment has been given a fair trial.

We feel that the scheme as applied elsewhere not only should be encouraged in the Dominion but that its scope should be expanded so as to take labour into production-partnership on an industry wide basis. In this way the actual experience in the work of the shop, the drafting room and the office, can be intelligently co-ordinated and made to function at highest efficiency, with resultant maximum output of war materials.

Recommendation

Vancouver Labour Council therefore urges the Board to embody in its findings a request that the Dominion Government take a practical interest in the establishment of labour-management production committees by the appointment of special officers qualified to and authorized to promote the establishment of such committees, and as and when experience is gained in the operation of such committees in individual plants that machinery of a similar nature be established to co-ordinate the production experience gained, in whole industries.

Conclusion

In conclusion, Vancouver Labour Council acclaims the decision by the National War Labour Board to hold this exhaustive inquiry into Canadian Labour relations and sincerely hopes that the Board's report to the Dominion Government will result in a realistic approach to the problems confronting the workers, and that the outcome will be the adoption and implementation in immediate legislation of a sound, modern and workable Canadian Government Labour Policy. If that is done, the government and people of Canada will find that the Trade Unionists of Canada are second to none in the world in loyal service to their country.

(Signed) W. A. TUTTE,

*Secretary Treasurer,
Vancouver Labour Council.*

APPENDIX

COMPARISON OF CANADIAN AND BRITISH COLUMBIA INDICES

List of 22 Essential Food Commodities Considered

Sirloin steak	Milk, fresh
Stewing beef	Cheese, mild Canadian
Lamb leg roast	White bread
Fresh shoulder pork	Flour, first grade
Breakfast bacon, unsliced	Rice, first grade
Fresh cod steak	Choice tomatoes, tins
Frozen fresh halibut	Potatoes
Lard, pure	Oranges
Shortening, vegetable	Sugar, granulated
Grade A eggs	Coffee, medium
Butter, creamery prints	Black tea

NOTE: Prices as quoted in *Labour Gazette* for October, November, December, 1942, and January, February, March, April, 1943.

WEIGHT RATIOS AS PROVIDED BY DOMINION BUREAU OF STATISTICS

Comparative Indices, Weighted, by Months

	Canada	British Columbia
1942		
September	100.00	100.00
October	100.56	100.21
November	102.47	102.70
December	103.24	102.70
1943		
January	101.15	101.72
February	101.37	104.24
March	101.86	104.42

SUBMISSION OF DOMINION MARINE ASSOCIATION IN RESPONSE TO GENERAL INVITATION OF THE NATIONAL WAR LABOUR BOARD FOR SUGGESTIONS AND RECOMMENDATIONS WITH A VIEW TO IMPROVING EMPLOYER AND EMPLOYEE RELATIONS

1. We will heartily approve any measures which will bar strikes, particularly for the duration of the war.

2. We recommend legislation requiring all unions to be incorporated by law, so that they may be subject to legal action the same as any other responsible corporate body. At present we do not consider there is any satisfactory means of forcing unions to meet their obligations.

3. We recommend that the financial affairs of the unions be regularly audited and statements published annually. The interests of the union members demand this and if employers are going to respect unions, they must be operated along recognized business lines.

4. Judging from the experience of our members and general observation, unionization does nothing to improve discipline aboard ship, and this association would deprecate any action which would require its members to deal collectively in the matters of wages and working conditions with its licensed personnel, and opposes any measures which would link the licensed and unlicensed personnel together in one individual or parent union.

5. We have recommended on different occasions to the Department of Transport, the desirability of adopting compulsory discharge books for all personnel, as a means of improving the services. This we believe would be in the interest of both employers and employees. The use of discharge books is voluntary now, but is not of much practical use until made compulsory.

6. Considerable discontent has been expressed by men in the Merchant Marine operating in war zones, because they are not treated in the matter of income tax, in the same manner as the fighting forces overseas. We think these men are thoroughly justified in their case and that their demands should be gladly granted for the marvellous services they have rendered and are rendering in the most dangerous theatres of the war.

7. Heavy taxation, and especially the latest levies on income, have created much discontent among the men. Income tax on the allowance for board and the practice of assessing the men as if they were working for a full twelve months' season instead of only a broken season, have aggravated the situation. We realize that the remedy lies with the Department of Finance, but nevertheless are bringing these grievances on the part of the men to the attention of your honourable Board.

Respectfully submitted,

DOMINION MARINE ASSOCIATION,
(Sgd.) GEO. R. DONOVAN,
Secretary.

REPRESENTATION OF PLANT EMPLOYEES' ASSOCIATION OF CANADIAN
WINDOW BAKERIES LIMITED, VANCOUVER, B.C.

To the Chairman and Members of the
National War Labour Board:

To-day national and international unions are taking advantage of the war emergency to build up large dues-paying unions in utter disregard of governmental policies and regulations. Many labour leaders are insistent that workers be not permitted freedom of action and association and are endeavouring to force closed shop and check-off conditions, with a view to building up large funds with ultimate political power in view; this at a time when thousands of our fellow-employees have left their employment to fight and die in maintaining that freedom which these militant unions would take away.

We, as workers, are concerned primarily in security, security for ourselves and families; and believe the basis of that security is continued industrial peace. There are three major interests involved in industrial peace, namely, the public, the employee and the employer. We believe it the duty of the government to protect and promote each of these interests, having due regard to the rights of the other.

To establish and maintain industrial peace, we make the following suggestions for your consideration in framing federal labour legislation:

1. The term "Labour Organization" be substituted for "Trade Union" and "Labour Organization" defined as "any organization of employees organized or existing for the purpose, in whole or in part, of dealing with employers concerning grievances, labour disputes, wages, rates of pay, hours of employment or working conditions, or of bargaining collectively with employers on behalf of any group of employees".

2. Employees should have the right to self-organization, to form, join or assist labour organizations, or to refrain from any and all such activities.

3. It should be unlawful for any labour organization to collect a sum of money for the granting of a work permit, or as a condition for the privilege to work from any person not a member of that organization.

4. No labour organization to have the right to act as the bargaining agency for all the employees of a plant or operation unless it has at least 65 per cent of the employees affected as bona fide members of that organization.

5. No strike or walk-out or cessation of work without same being authorized by a 65 per cent majority vote, by secret ballot of the employees affected.

6. No agreement to be entered into on behalf of employees unless authorized by a majority secret ballot vote of the employees affected.

7. Democratic annual election of all officers by secret ballot of those entitled to vote.

8. That no labour organization influenced, dominated, controlled or financed by the employer to have legal status as a labour organization in any legislation.

9. All members of a plant or operation, employer and employee alike, to have freedom of action and speech in declaring his opinion on organization of a bargaining agency.

10. That the principle of closed shop should not be placed in effect except be placed in effect except where same has been mutually agreed upon in writing by both parties, and further that the question of "closed shop" be not classed as a dispute. As stated in clause 3 above it should not be a condition of work that any person must belong to any labour organization.

In conclusion we would call your attention to the fact that not only in Canada but in the United States, as the result of high-handed action on the part of leaders of international labour organizations, more and more working people are turning to the democratic independent type of labour organization, with absolute freedom of action, and resulting in speedy action on any problems that may arise in a particular industry.

Respectfully submitted,

Plant Employees' Association of Canadian Window Bakeries Limited.

By L. INGLIS, *Vice-President*.

FRENCH TEXT OF ADDITIONAL SUBMISSION BY LA CHAMBRE DE COMMERCE DE MONTREAL

La Chambre de Commerce du district de Montréal

25 est, rue St. Jacques, Montréal

ce 28 mai 1943

Cher monsieur,

Nous avons l'honneur de vous transmettre sous pli une requête signée par sept industriels de Montréal, afin que les autorités jugent à propos d'atténuer les effets désastreux de l'impôt progressif sur les salaires lorsque l'ouvrier est appelé à travailler en dehors des heures ordinaires de travail.

Nous sommes assurés que vous voudrez bien apporter à cette question votre très sérieuse considération et vous remerciant à l'avance nous vous prions d'agréer, cher monsieur, l'expression de nos sentiments très distingués.

Le secrétaire adjoint

(sgn.) J. P. HÉROUX.

P.S.—Si vous n'y voyez pas d'objection auriez-vous l'obligeance de nous retourner cette requête portant les signatures, après usage. Merci.

Monsieur Donald G. Pyle
Conseil National du Travail
en temps de guerre
Edifice Confédération
Ottawa.

MONTREAL, le 11 mai 1943.

La Chambre de Commerce du District de Montréal,
25 est, rue St.-Jacques,
Montréal.

Attention: M. Jean Paul Héroux

Monsieur,

Nous nous réunissons à d'autres ateliers semblables à la nôtre pour vous faire parvenir cette protestation contre l'impôt dont on taxe "l'overtime" fait par les ouvriers de notre métier. Nous travaillons pour la plupart à des travaux de guerre et très souvent l'ouvrier peu encouragé par la minime augmentation de revenu que lui donne l'overtime refuse d'en faire et souvent même s'absente un jour ou deux pour que son salaire n'atteigne une certaine limite où l'impôt est trop lourd, et ceci occasionne un sérieux retard dans la production, vu le nombre très limité de techniciens.

Nous vous demandons de bien soumettre cette proposition à la Commission McTague chargée d'enquêter sur ces problèmes.

Bien à vous,

Lefebvre Frères Limitée,
par ACHILLE LEFEBVRE.
Central Machine Wks. Reg'd,
par M. SAVOIE.
L. Dejean & Co. Limited,
par J. D. SAINT-HILAIRE.
Victory Tool & Machine Co.
par RAYMOND MATHIEU.

Le Materiel Industriel Inc.
par VICTOR SORNIN.
Machine Works Limited,
par J. A. DUPLESSIS.
General Machine Works Ltd.
par L. GUILBAULT.

(English translation)

La Chambre de Commerce du district de Montréal

May 28th, 1943.

DEAR SIR:

We send you herewith a petition signed by seven industrialists of Montreal to draw the attention of the proper authorities to the disastrous effects of progressive taxation upon wages when a worker is called upon to do overtime work.

We feel confident that you will give the matter your most serious consideration, and we wish to express our thanks in anticipation.

(Signed) J. PAUL HEROUX,
Assistant Secretary.

P.S.—Will you be so kind as to return the signed petition when it has served your purpose?

Mr. Donald G. Pyle,
National War Labour Board,
Confederation Building,
Ottawa.

(Translation)

MONTREAL, May 11, 1943.

La Chambre de Commerce du district de Montréal,
25 St. James St. East,
Montreal.

Attention: Mr. Jean-Paul Héroux

DEAR SIR:

We are joining with other similar shops to submit to you this formal protest against the tax applied to "overtime" done by workers in our trades. Most of us are on war work, and quite often the worker, finding little stimulus in the small return from his overtime, refuses to do such overtime, or else does not show up for a couple of days in order to maintain his earnings under a certain level at which the tax becomes too heavy; and that causes considerable delay in production owing to the limited number of skilled workmen.

May we ask you to be so kind as to submit this request to the McTague Commission investigating such matters.

Yours very truly,

Signed on behalf of the following firms:

Lefebvre Frères Limitée.	(Sgd.)	ACHILLE LEFEBVRE.
Central Machine Wks. Reg'd.	(Sgd.)	M. SAVOIE.
L. Dejean & Co. Limited.	(Sgd.)	J. D. SAINT-HILAIRE.
Victory Tool & Machine Co.	(Sgd.)	ROY MATHIEU.
Le Matériel Industriel Inc.	(Sgd.)	VICTOR SORNIN.
Machine Works Limited.	(Sgd.)	J. A. DUPLESSIS.
General Machine Works Ltd.	(Sgd.)	L. GUILBALT.

BARBERS AND HAIRDRESSERS' FEDERATION OF THE PROVINCE OF QUEBEC*

Rates Readjustment

Request submitted to the National Labour Council

Whereas, that according to carefully controlled statistics 74 per cent of the revenue earned by a barber or hairdresser employee goes in the salary paid to the same employee by his employer;

Whereas, that the shop equipment cost for barbers and hairdressers was altogether increased to 51 per cent since the freezing of prices;

Whereas, that since the beginning of the present war the cost of living was increased to 17.7 per cent.

Whereas, that since several years no higher rates were charged to customers, and that at the very moment, when prices were freezed, steps had been taken in all our centres in the province of Quebec, in order to increase said rates;

Whereas, that employee barbers or hairdressers get an average week wage of \$23 in Montreal and \$22 in Quebec, and a less average in most of the other places in Quebec province;

Whereas, that under those circumstances the net revenues of employers are visibly insufficient, thus placing those two crafts in a very serious predicament for the future;

Therefore, the Barbers and Hairdressers' Federation of the province of Quebec respectfully requests the Honourable Minister of Labour to urge the Wartime Prices and Trade Board to authorize the Regional Labour Board of Quebec to make a reasonable readjustment of the rates to be charged to customers in the barbering and hairdressing profession.

The Barbers and Hairdressers' Federation of the Province of Quebec

By P. A. CABANA, *President.*

* See p. 146, vol. 2, for previous reference to this resolution.

BRITISH COLUMBIA COUNCIL OF LONGSHOREMEN

The Chairman and Members of National War Labour Board,
Ottawa, Ont.

Gentlemen,

On behalf of the six Longshore unions in the province of British Columbia we wish to place before you our views on legislation affecting organized workers. During the past eight years we have worked in harmony in our industry, this period of peace and harmony we think was the result of not having outside influences interfering in the operation of our unions. We firmly believe in the organization of workers into unions of their own choice, without being interfered with by the employer, or by national or international labour organizations.

The first essential of a labour organization should be to promote the economic and social welfare of its members. To be allowed freedom to organize without outside interference or influence by either other labour organizations or by employers. The members should have the right to elect officers and committees on a democratic basis; such officers and committees to enforce regulations and carry out the wishes of the majority of the members.

(1) To establish and maintain industrial peace, we would recommend in labour legislation that the term "Labour Organization" be submitted for "Trade Union" and "Labour Organization" defined as "any organization of employees organized or existing for the purpose, in whole or in part, of dealing with employers concerning grievances, labour disputes, wages, rates of pay, hours of employment or working conditions of any group of employees, or bargaining collectively with employers on behalf of any group of employees".

(2) No labour organization to have the right to act as the bargaining agency for all the employees of a plant or operation unless it has at least 65 per cent of the employees affected as bona fide members of that organization.

(3) That as one of the principal causes of labour unrest to-day is the disregard by labour unions and employers for their contractual working agreements, we would recommend that:

- (a) All labour organizations be registered under the Trade Unions Act of Canada.
- (b) That all labour organizations be required to become incorporated and to submit, for filing with a central registry, complete financial statements of all fees, dues and assessments, together with itemized list of expenditures for the preceding twelve months' period, members to have access to this information.
- (c) Copies of all working agreements to be filed at central registry.
- (d) No strike or walk-out or cessation of work without same being authorized by a 65 per cent majority vote by secret ballot of the employees affected.
- (e) Democratic annual election of all officers by secret ballot.
- (f) Bargaining committee not to be appointed, but elected by those entitled to vote.
- (g) That no labour organization influenced, dominated, controlled or financed by the employer to have legal status as a labour organization in any legislation.
- (h) All members of a plant or operation, employer and employee alike, to have freedom of action and speech in declaring his opinion on organization of a bargaining agency.
- (i) Picketing by force and violence, or picket en masse, or to prevent ingress or egress to or from any premises, or to picket other than in peaceful manner to be illegal, and then only by employees of the plant on strike.

(j) Considerable suspicion and dissatisfaction has been created because of representatives of national and international labour organizations on advisory government boards, and while we agree absolutely with the policy that labour should be represented where public interest is concerned, we would, however, request that all labour appointees to such boards be obliged to sever their active union connections while acting in such capacity, also representatives of independent unions should be given the opportunity of representation on such boards.

The foregoing is submitted for your consideration in the hope that any labour legislation contemplated will be such as to protect independent unions, as well as national or international organizations, and will be for the protection of the working man.

Sincerely yours,

B.C. Council of Longshoremen.

(Sgd.) AUSTIN G. SMITH,
Secretary.

AIR INDUSTRIES AND TRANSPORT ASSOCIATION OF CANADA

P.O. Box 672, Station B, Ottawa

To: The National War Labour Board,
Ottawa, Ontario.

The Air Industries and Transport Association, representing a membership of 70 employers in the aircraft industry in Canada, including the aircraft manufacturers, air transport and air observer school operators, many of the manufacturers and suppliers of aircraft parts and materials and suppliers of adjunct services, submit the following as their credo and recommendations in the field of labour relations:

1. The principle of collective bargaining, between an employer and the organization representing the majority of his employees, should be established, uniformly, as a wish of the employees; such organization to be chosen by free election by the employees, at legally predetermined intervals, conducted under the aegis of a governmental agency, constituted for and experienced in this purpose.

2. Based on the foregoing, jurisdictional disputes between labour organizations should, by law, not be allowed to interfere with or impede the operation of industry, under any conditions and at any time.

3. Labour unions should, by law, be allowed to be organized exclusively as legally incorporated bodies, subject to similar controls as to the election and responsibility of officers, and as to the administration and publication of finances, as are imposed by law on other corporate bodies which operate with funds subscribed by individuals.

Ottawa, May 1st, 1943.

Respectfully submitted,

Air Industries and Transport Association of Canada.

(Sgd.) R. B. C. NOORDUYN,
President.

GENERAL CONFERENCE COMMITTEE OF THE INTERNATIONAL RAILWAY
LABOUR ORGANIZATIONS

Mr. D. G. PYLE, Secretary,
National War Labour Board,
Ottawa, Ontario.

June 7th, 1943.

DEAR SIR:

My attention has been called to an extract from brief presented to your board by the Railway Associations of Canada, reading in part as follows:—

The National War Labour Board is the authorized body which determines the question as to who is "above the rank of foreman" for the purpose of establishing whether or not an individual is governed by the provisions of the Wartime Salaries Order P.C. 1549 or the Wartime Wages Control Order P.C. 5963. The railways submit that this requirement, embodied in both orders, leads to confusions, is neither fair nor reasonable, is a matter of considerable trouble, and in their opinion the orders should be amended to remove this source of confusion. In lieu thereof, it is suggested that the application of the Wartime Salaries Order P.C. 1549 be authorized for those receiving a salary of more than \$4,200 per annum, which would establish the application of the Wartime Wages Control Order P.C. 5963 to those receiving a salary of \$4,200 or less per annum. Such amendment is, we feel practicable of application and would serve the same purpose in controlling supervisory salaries as well as eliminating the endless difficulty and unnecessary confusion experienced by the railways.

In answer to a question Mr. Edge is reported to have said in effect that the \$4,200 limitation would not affect any employees covered by any of the collective agreements with the railways.

For the information of your board, will say that the agreement between the locomotive engineers and the Canadian Pacific Railway permitted passenger engineers on the mountain subdivision to earn \$4,357.91 for the year 1942; such earnings could only be made provided the engineer worked every day in the year.

The above case is specifically mentioned because it is a regular run on which a mountain differential of \$1 per 100 miles is paid, over and above the so-called standard rates applying in Canada.

There may be other cases where due to war traffic men are working long hours with corresponding greater earnings.

Yours truly,

(Sgd.) J. B. WARD, *Chairman.*

MEMORANDUM SUBMITTED TO THE NATIONAL WAR LABOUR BOARD BY
THE WINNIPEG CENTRAL LABOUR COUNCIL—ONE BIG UNION

Mr. Chairman, and members of the Board.

Gentlemen,

The Winnipeg Central Labour Council of the One Big Union welcomes this opportunity of expressing its opinion on matters affecting wage conditions and labour relations in Canada.

As one of the largest organizations and representative of thousands of industrial workers in the province of Manitoba, our submission, while general

* See page 800, Vol. IX, for submission by Railway Association of Canada.

in scope, deals more specifically with conditions within the said province of Manitoba.

Now in order that you gentlemen may have a clearer picture, it is necessary that a short historical sketch should be given pointing out some of the assailant features leading up to, and still causing considerable dissatisfaction among the workers so far as wage adjustments and cost-of-living bonuses are concerned.

Cost-of-Living Bonus and Wage Rates

While we realize the necessity of control regarding wages and maintenance of a price-ceiling to avoid inflation, and to which we agree, in principle, as a War Measures Act, we would also wish to point out how far short these said orders in council have come to the original promises which were made when they were first enunciated.

First—On October 18, 1941, the Right Honourable Mackenzie King, Prime Minister of Canada, in a radio address, told the people of Canada that in order to stop inflation, wage ceilings would be set up and a *uniform cost-of-living bonus would be made applicable to all workers irrespective of their occupations.*

Second—In an address at the first "Conference of National and Regional War Labour Boards" held in Ottawa, January 14, 1943, the Minister of Labour (then Chairman of the National War Labour Board), said this:

(See Page 39—*Labour Gazette*, January 1, 1942)

The policy is unique in this respect that it provides for *uniformity of treatment of all workers* in the salary and wage groups in that same amount of bonus is paid to the higher wage earners and those in receipt of the higher salaries as is paid to those of both these classes in the lower groups.

From both these statements one would be led to believe that "uniformity" is the intent which the government has in mind and that when these orders in council were endorsed it meant that every worker was entitled to a uniform treatment; but we are sorry to say *such are not the actual facts.*

As you are aware in the years 1930-1932 workers all over received reductions in wages ranging anywhere from five to twenty-five per cent and ever since that time the struggle has been to get these restorations of wages back, which so far, in many instances, has not been achieved and many employees are still suffering from those reductions.

Further we might say that many of the new industries which commenced during the depression years started out by paying their employees the sub-standard wage levels prevailing at that time, and with no 1926-1929 levels to use as a bargaining point, find themselves in the position as the employees whose wages were reduced.

As you are also aware, when the war started in August, 1939, the eastern provinces and the western province of British Columbia received large war orders, and wage restorations were, therefore, away ahead of the rest of the Dominion, leaving wages so far as the province of Manitoba was concerned, still a long way below the 1926-1929 level.

Then came Order in Council P.C. 7440 of December 16, 1940, as amended by Order in Council of June 27, 1941, which allowed for a wage rate based on the periods from 1926-1929 or higher levels established thereafter but prior to December 16, 1940.

It also provided for a wartime cost-of-living bonus, separate from, and in addition to the basic wage rates, except for good cause shown to the contrary, to *all the employees*—this, we consider was fair if it had stopped at that point; but under Clause 5, Section 11, it says:

The increase shall be measured from August, 1939, or from the effective date subsequent to August, 1939, of the granting of the last

previous increase in wage rates or bonus which brought the wage rate level (including any bonus other than a cost-of-living bonus pursuant to the provisions of this section) of the employer, up to a fair and reasonable level.

This is the clause which started the morass in which the workers find themselves to-day owing to the fact that the employers have been using this clause to hide behind, something which we contend the government never intended to be done.

As I have previously stated many of these adjustments were not increases but were restorations of the cuts in wages suffered by the workers in the years 1930-1932, although the workers had suffered these low wages in order to help the employer through the depression years prior to the war.

Yet the employer used these restorations as increases or subsequent dates, to be considered "fair and reasonable," and where no cost-of-living bonus would have to be paid although such restorations still leave many workers' wages away below the basic wages of 1926-1929.

Then as if to add insult to injury along comes Order in Council P.C. 8253 of October 24, 1941, as amended, freezing wages as at the effective date of this order, thus leaving the workers in one of the largest "mulligans" we have ever seen in the labour movement.

At the present time we have workers getting sixty cents, cost-of-living bonus, as of August 15, 1942, with no increase in wages; others are getting one dollar per week cost-of-living bonus, although they have no increase in wages since August, 1939. Others are getting one dollar and twenty-five cents per week cost-of-living bonus, although their basic wage rate is still below the 1926-1929 level, and then we have some who are getting their full basic wage, plus four dollars and twenty-five cents per week cost-of-living bonus, and so on in every imaginable way.

These are the reasons why there is all the dissatisfaction among the workers; and how can any government expect to get the whole-hearted support of these workers when conditions like this are allowed to exist?

As organized workers and citizens of a democratic country, we realize that in order to protect those liberties which we have achieved after years of struggle *this war must be won* and in order to do so, we must have the wholehearted support of *every man, woman and child in this Dominion*, and there is only one way to get such support and that is to put into effect the promises of the Right Honorable MacKenzie King, and the Minister of Labour:

That a uniform cost-of-living bonus be made applicable to all workers irrespective of their occupation.

Now while it may be argued that a number of employers have given increases since the beginning of the war, considerably in excess of the rise in the cost of living, we contend that so far as Manitoba is concerned there is still a great number of workers who have not yet reached the basic wage rate of 1926-1929 and who are not receiving the full cost-of-living bonus and while provisions have been made in Order in Council P.C. 5963 to seek adjustments from the Regional War Labour Board for the standardization of wage rates, many of these appeals submitted to them have not received the consideration they rightly deserve which is the reasons for the obvious discrepancy and present dissatisfaction among the workers. Therefore we recommend that steps be taken to alleviate these discrepancies and bring about *uniformity*, so earnestly desired by all workers.

Floor on Wage Rate:

In asking that a floor be set for basic wage rates, we would like to cite a few examples of why we think that same is necessary.

Let us take the retail coal industry in Manitoba. During the depression years prior to the war when there was a surplus of labour, rather than go on unemployment relief, men would accept work for the winter months at a rate of twenty-five or thirty cents per hour until now it has almost become an established rate for the industries. We also find that when appeals are made to the Regional War Labour Board for adjustments, and they use the comparable rate in the locality, it is an utter impossibility to get a living standard of wage rates established and now we have all kinds of men working in this industry at a rate of thirty-five cents per hour or a weekly earning capacity of less than twenty dollars per week.

Then on top of this we have an exceptionally large number of workers in the labouring class with a basic wage rate of forty-five cents per hour which for a forty-eight-hour week gives an earning capacity of \$21.60 per week and in many cases they are only receiving partial cost-of-living bonus, something which you, gentlemen, will agree upon with the workers; namely, that it is an utter impossibility to live and support a family on this basis.

Therefore, we are asking that a "floor" be set on wage rates, and we recommend that *fifty cents per hour or twenty-five dollars per week, plus the full cost-of-living bonus* be the lowest for which any adult worker should be expected to work.

Further we recommend that a survey of the provinces be made and that the Regional War Labour Board be given the power to render more liberal interpretations where such wages exist; and that a levelling-out process be adopted so that there will be no low-wage areas in any province throughout the Dominion.

Collective Bargaining:

Further we realize the tremendous task which confronts the Dominion at the present time in an all-out effort to win the war, and which requires the co-operation of both employer and employee and there is no doubt in our mind but that the right of collective bargaining would eliminate a tremendous amount of dispute and dissatisfaction not only in Manitoba but throughout all Canada, which, as you know, has a tendency of slowing up production. Our organization, therefore, requests that the Dominion Government enact legislation immediately guaranteeing the right of employees to organize and bargain collectively, and that employers should be legally bound to negotiate with the chosen representatives of such organizations.

Long-drawn-out negotiations:

There is one other point which we contend is responsible for serious dissatisfaction and that is the length of time spent on negotiations which in many instances drag along for months, (some almost one year). Such long delays irritate the workers, causing friction that never should have been and finally forces them to resort to the last redress left, *strike action*.

We contend that such "action" could be eliminated if negotiations were properly carried out. Therefore, we are asking that a time limit should be set wherein negotiations should be completed, this to apply in all cases of disputes between employer and employees.

Further we contend that labour should be given a more equal representation on all boards and commissions set up by the government to deal with matters of vital interest to the workers and in accordance with the labour law of Canada,

wherein the workers have the right to join the organization of their choice, we contend that consideration should be given to all bona fide labour organizations alike, and not a noted preference to a particular few.

In conclusion we hope that this submission will be received in the spirit of co-operation as it is not our intention to be critical in any way; but merely to point out, to the best of our ability what we consider is responsible for the greater part of the dissatisfaction among the workers at the present time. We wish also to assure you that as an organization, we are prepared at all times to offer our wholehearted support and co-operation in order to bring about a stabilized labour policy which will be in the best interests of all concerned.

All of which is respectfully submitted.

Dated this 12th day of May, A.D. 1943, at Winnipeg.

(sgd.) THOS. McCLURE,
General Secretary,

The Winnipeg Central Labour Council,
O.B.U.

MARCONI WOMEN'S "PRODUCTION FIRST" LEAGUE

Justice C. P. McTAGUE,
National War Labour Board,
Ottawa, Ont.

Dear Sir:

Briefs have been submitted by various labour unions objecting to the establishment of local collective bargaining agencies, operating solely within the confines of company premises.

The attacks made seem to be chiefly that they operate to the detriment of particular labour unions. This is inconsequential. What matters is that they operate in the best interests of we employees ourselves.

Now with whose interests should labour boards be chiefly concerned, the labour unions, or the employees at large?

One has only to look at the newspapers for the past few weeks to see that most of the labour unrest is where one labour union is endeavouring to supplant another.

The presumption is justified that in these cases the employees are not satisfied with the efforts made on their behalf by the union they first joined. This has not always been the same union. In some cases "A" is trying to oust "B", and in others "B" is trying to replace "A". Under the totalitarian "sole bargaining right" system, the only way an employee can get rid of unsatisfactory representatives is to try and get sufficient of his fellows to join another union, claim a majority and then try to break a contract.

On behalf of the local company council as bargaining agent, it might be pointed out that it parallels a free democratic parliament, in that, union "A", union "B" or conceivably independents can have the majority, but has to give satisfaction or risk being displaced by popular vote.

This plan may not be better for union "A" or union "B", who always desire "sole bargaining rights," but it is fairer to us—the employees. Are we to be forced to join a union or remain unrepresented and without voice?

In Nazi Germany one must belong to the Nazi party or have no voice, but in Canada one can elect an opposition member, and this right we are fighting to preserve.

Under present laws, in event of a dispute between union and management, the union may ask for a conciliation board. The decisions of this conciliation board are not mandatory on the parties concerned.

It seems to be overlooked that a local company bargaining agency has exactly the same power even to the calling of a strike. The difference is that this last power would never likely have to be used because the friendly bargaining between a company dealing with its own employees will be more co-operative than when dealing with outside parties not familiar with all the facts.

We submit that the Labour Department should take steps to prevent the unfair attacks by the labour unions on these bargaining committees of our own.

In our plant, some twenty or thirty paid agitators secured employment about eighteen months ago, to attempt to organize our workers into a union. The whole plan of their campaign was indirect intimidation. By their many pamphlets and letters to the Labour Department, they created the impression that numerically they were very strong with the object of frightening employees into their organization. For a while these tactics made many of us fearful of attacking them. However, when the council asked for a vote of confidence, and the union went to the length of securing a court injunction against this vote, it becomes obvious who is now afraid.

We, the "Marconi Women's Production First League," represent 688 out of approximately 800 female workers, and do not want to be attached to any outside organization. We demand the right of collective bargaining with our own management, without the necessity of aligning ourselves with any national organization whose actions we cannot control, and of which we could not always approve.

Marconi Women's "Production First" League.

President: (Sgd.) O. LEGAULT,

Per: M.G.F.

Secretary: (Sgd.) MONICA G. FOLEY.

NATIONAL DRIVERS' UNION, LOCAL No. 1*

The National War Labour Board,
Parliament Buildings,
Ottawa, Canada.

May 29, 1943.

Dear Sirs:

At the last regular meeting of this local a resolution was passed heartily supporting Mr. A. R. Mosher and the memorandum which he presented to you on May 5 last.

We wish to take this opportunity of supporting Brother Mosher. The memorandum was very comprehensive in scope and outlined the conditions confronting organized labour very accurately.

These conditions should be rectified immediately so that labour can get on with its work instead of having to spend so much time and energy in straightening out problems which have only been aggravated by the government and its assisting committees and boards.

Yours truly,

(Sgd.) HUGH A. ALLISON, *President*.

* See page 119, Vol. 2, for brief submitted by Mr. A. R. Mosher on behalf of Canadian Congress of Labour.

CENTRAL COUNCIL, FEDERATION OF CIVIC EMPLOYEES AND
AFFILIATED UNIONS, WINNIPEG, MAN.

Mr. Chairman and Members of the Board.

Gentlemen:

In making this presentation to your board we do so in the belief that your inquiry is concerned in producing some recommendations designed to overcome or alleviate current labour unrest, and to provide direction in labour policy in the post-war period.

We also believe that this labour unrest springs partly from the effect of "wage freezing" which was instituted in conjunction with price regulation; the two designed to restrict inflationary tendencies resulting from full employment and from a shortage of consumers goods, the latter brought about through displacement of consumers goods production by war goods production, while the monetary income remains at the total of the combined production.

Some inflation of prices had already taken place when wage freezing commenced and some further increase has since been recognized, but it now seems evident that the statistics in this regard are not keeping pace with the current drain upon the pocketbook for living expenses.

The various orders in council dealing with wages and bonus have made some provision for cost-of-living bonuses to take care of the rise in living costs. However, those orders subsequent to P.C. 7440 have varied the original order in regard to: "That the wages of 1926-29 should be considered as fair and reasonable," and in regard to the time from which bonuses should be computed. The result to-day is that many are still at substandard levels and that the whole situation in regard to wage and bonus levels may be described as higglety-pigglety. While Labour feels it must pull its share of the load to arrive at a satisfactory conclusion of this war, it also goes without saying that unequal burdens detract from the staying power of the teams involved.

It would seem that the need of the immediate situation now facing us should be seen as:

1. To provide for division of the national income in such manner that all may share reasonably equitably in the available consumers goods, and
2. That all may share in the financial effort to win the war through purchase of government bonds and savings certificates, and
3. That in so doing they may provide some back-log of savings to carry over during a period of economic unhingement which we are led to expect may follow the war. (We trust that sufficient foresight will be used to allow such period to be of but very short duration.)

Our National Income

Perhaps it may be of value to examine the present national income and its disposition. A portion is employed on capital expenditures, a portion is removed by taxation, another by compulsory savings, and still another finds its way into bank savings. Quite a large portion, perhaps almost 50 per cent of the national income, is used for the purchase of consumers' goods. Another quite large portion, approximately 30 per cent, finds its way into the war effort through the purchase of bonds and certificates. This 30 per cent represents the major portion of surplus income after the purchase of consumers' goods and the payment of taxes. It is the incidence of this current surplus income which we wish to analyze with the facts at hand.

With the current national income approximating nine billions of dollars and with the surplus income being roughly 30 per cent, this surplus income would be in the neighbourhood of 2,700 millions. By dividing the population

figure of eleven millions into this we find the annual surplus income to approximate \$250 per head of population, or, for a family of four, the sum of \$1,000. This is a sizeable sum, and considerable in excess of the annual earnings of a large part of our population.

Yet, gentlemen, this sum is actually being obtained by the government from current income after taxation is met. It would be of value to know what portion of the public meet any sizeable portion of this \$1,000 figure. It is quite clear that a large part of the public are able to contribute but little; the only conclusion that can be reached, then, is that a few must be contributing a very large part, and that therefore they must be obtaining a very large share of the national income to be able to do so.

These few people then are able to:

1. Obtain a larger than equitable share of the available consumers goods.
2. Purchase government bonds as an investment.
3. Corner monetary claims in amounts not likely to be required to meet consumers' needs during any subsequent period of economic unhingement, and thus of no value to induce employment in such a period. Safe investment does not easily give way to questionable investment in plant and equipment during depression.
4. Obtain income by way of interest, which interest must be met from the shrunken national income of depression, thus withdrawing the then current income from the purchase of consumers goods, consequently reducing employment.

These aspects of the current situation reflect themselves into the future.

Our War Debt

Were the war debt now being equally distributed among all our people it would be a simple matter to recover it through taxation. We would all pay equal taxes to repay the bonds held by ourselves. "Take the money out of one pocket and put it in the other." However, with the unevenness of bond ownership the matter is not so simple, when we consider past methods of taxation.

In the past taxation has been levied upon those least vocal in their opposition, and often in the nature of hidden indirect taxes. These taxes were levied as a means to obtain revenue and not as part of an ordered national economy. Their final result was restrictive upon our purchasing and thus upon employment, while on the other hand large fortunes were amassed. The final result of these methods is depression. For our economy to progress, taxation must be removed from commodities, and also, in large measure, from those who are potential purchasers of commodities. Eventually taxes will have to be obtained from that source which may be known as surplus income, and, in principle, our present debt must be repaid by those to whom it is owed.

Post-War Production and Employment

In the belief that the findings of your Board are to be designed not only to meet the present war situation, but also to provide the basis for improved labour and economic conditions following the war, we will also deal particularly with post-war production and employment.

It is said that production per man-hour in 1939 was double that of 1914. There seems no doubt that in the depression years of the 1930's the ratio would be almost the same. Yet this productive ability did not prevent the greatest depression in history and which, no doubt, contributed toward the present conflict. Much is also said of the need for high national total wage payments, and that such should be the result of full employment. It would appear that there should be general agreement upon these statements and an effort made to bring these objects into actuality.

Looking back into periods of progress we find that capital invested in plant and equipment coupled with other expenditure provided sufficient national income to purchase the consumer and capital goods available and at the same time accommodated the making of savings for further investment. As long as this process of reinvestment continued, coupled with continuity of credit, we had what was known as prosperity and almost full employment. When extraneous tendencies developed, such as dealings in the stock market and sometimes international price changes, confidence in the ability to maintain a market for consumers' goods disappeared and investment slackened. Money taken from circulation was not restored by way of investment and employment and purchasing power dwindled: depression.

For our individual system to continue advancement unabated and which would provide constant employment and wages, certain definite changes must be made in our policies. Governments are expected to provide intelligent direction to our national economy and must recognize the urgency of the post-war situation and meet it as statesmen should.

To bring out the picture in mind it may be worth while to examine the present anti-inflationary policies. These are designed, through wage freezing, taxation and borrowings, to restrict monetary demand to the total of goods available. The need for these policies, it should be noted, is the result of at least half of our production being of non-consumer goods while our national income is the equal of the combined production. Let us say, then, that the emphasis to-day must be on restraint of purchasing power.

To come into the post-war period we must look forward to the maintenance of full production as speedily as the war plants can be changed over to peace goods production and as speedily as our returning boys and girls may share in the extended production then possible.

It would appear, gentlemen, that the production then could be enormous, but it is our opinion that, given the purchasing power, all this and more, could be consumed by our public.

Let us say that we are agreed that we should produce to our full physical capacity. The natural conclusion is that we must allow no impediment in the way of providing purchasing power to distribute this potential production. Therefore, gentlemen, we must at least reverse the policies at present employed to restrict consumption. Taxation upon commodities must be virtually eliminated and taxation upon those in the lower income brackets must be reduced to the point where, all factors considered, all goods will flow from producer to consumer, and thus full employment be maintained.

This, then, will provide the commencement of the process required to provide a continuing market for the production of industry and, at the same time, provide inducement for continuity of investment. The continuity of investment will provide the additional income to maintain the consumption of the capital and consumers goods available. Money then removed as profits for reinvestment will go into that reinvestment instead of into government bonds to provide money to feed those who otherwise would be unemployed.

However, we might still have with us those who would rather have government bonds than investments. These parasites of our economy might require some direction. We again cite our present policies and particularly refer to the income tax form T.D.1 which allows exemption from compulsory savings to some part of contractual savings now being made. In similar manner, we suggest that post-war income tax forms should allow provision for exemption of a certain portion of income spent in work producing investment; the amount of such national total being in comparison to the national need for new plant and equipment and replacements, housing, etc.

The net earnings of Capital and Labour would be decided by the government, and would be provided for through allowance for investment, and also, perhaps,

by provision for purchase of government bonds sufficient to meet death dues, and which money could be used in the meantime to meet road and other public works expenditures.

Were such direction of the national economy to be effected and full employment to be made a continuing fact, with the government employing a portion of labour, the wage rates paid by the government would become a more effective minimum wage than all wage legislation could produce.

This, then, envisages an individualistic economy suffering little more control upon the individual than in the past, yet at the same time providing for continuing security for labour and business, and for full distribution of full production. The main policies of such a program would be:

1. The government would supplement employment and purchasing power through government expenditures on socially useful projects, when necessary, the money to be obtained through bond sales or/and from the banks, and to be recovered through the inheritance tax.
2. Provide inducement to invest to the productive needs.
3. Remove restrictive taxation.
4. Institute progressive taxation. (Steeply graduated income and inheritance taxes.)
5. Minimum wage to be made effective through wage rates on public works coincidental with full employment.

Exports and Imports

It is an economic fact that a high national income promotes purchases from abroad. Setting our own house in order would provide the means to induce foreign trade, and thus provide us with needs not produceable in Canada.

To the extent that home surpluses might develop even after full effort has been made for disposal abroad, enticement should be provided away from such surplus producing industry to other industry, the demand for the products of which is maintained. Commodities actually surplus provide no addition to the national wealth. Transfer of those so employed to the production of goods in demand would increase both usable production and the national income comparably.

Labour-Gains

No doubt the feeling of Labour that it is not receiving a fair share of the national income is one of the prime causes of present unrest. But it appears historical, that in the long run little gain is made in real earnings through general wage increases. In the process, no doubt, some temporary gains are made by those first receiving increases, but on all receiving like percentage increases, the only net gain can be in relation to that part of their income used for the payment of fixed charges, such as past financial commitments, other than those of life insurance or pensions, the real value of which are lessened by the price inflation. It is true that those of highly organized bodies make some gain in relation to those less highly organized, but their gain comes out of the living costs of their fellow workers and the general public, and not out of the employing class.

Price of commodities is always maintained in some certain direct ratio to costs. The obtaining of wage increases by some section of labour either increases the price of the commodity concerned or prevents a price reduction which should have come into being.

Argument is made that labour should share in the profits of the firm. Were this to be generally accepted it is conceivable that technological improvements in certain plants might put the earnings of the employees of those plants far above that of their brothers in similar occupations in other industry. It would

seem that labour must get together and decide equitable rates for all classifications and let their real earnings be added to through price reduction resulting from technological improvements and through volume of production.

No doubt labour would fear that the employer not faced with labour strife would accrue to himself a still greater share of the national income. To prevent this, Gentlemen, is the job of the government, through the income tax. The income tax as employed in the United States during the office of President Woodrow Wilson resulted in wage increases to labour, to escape taxation. Rather, though, it should be designed to effect reduction in price, and let labour rates once equitably established remain generally constant. No doubt some revisions would have to be made as, should full employment be maintained, supply and demand would show whether or not certain classes of jobs were receiving attractive rates.

What is true of labour is also essentially true of those who receive their portion of the national income from primary production, such as the farmer. Prices in their cases should also be similarly provided for.

The Present Situation

Returning to a consideration of the division of our present national income it seems clear to us, Gentlemen, that the existing division cannot but create hardship on the one hand and an excessive claim upon consumer goods to the better-placed on the other; and that the repercussions of this condition must surely carry forward into the post-war years. Can this condition lead to harmony in a community where we are being asked for equality of sacrifice and of effort? Equality of sacrifice cannot be. Those who give their lives cannot give more. Those who come back want to see a better economic picture than they left to join the forces. Gentlemen, the only way for this to be made apparent to them is to put into effect *now* such measures as will provide for a modicum of equality.

To do this we suggest that regulation of effective income be made through raising the pay rates of those now sub-standard, and, through the employment of income taxation and compulsory savings designed to restrict purchasing power of those financially better placed so that the then existing effective income shall meet the total sale value of goods and services available.

Summary and Recommendations

Dealing with the present unrest confronting your Board, it would seem that there are several situations involved:

1. The existence of sub-standard wages.
2. The existence of varying degrees of cost-of-living bonus.
3. Continued rise in prices of certain basic necessities of life.
4. Subsidies.
5. Unequal and inequitable division of the national income.

In regard to:

No. 1—We recommend that all sub-standard wages be raised to provide at least for the minimum of \$25.00 per week, as set out in the *Labour Gazette* as a minimum standard for a family of five.

No. 2—We recommend that either the cost of living be rolled back to

No. 3—that of 1939 through an extension of the policy of subsidies

No. 4—or that cost-of-living bonuses be made uniform at the full level.

(As the government is, directly or indirectly, paying the cost of living bonus throughout Canada, either through direct employment, the cost of goods, or through loss of taxation income from the balance of industry, and is thus at the same time contributing also to present high rents, perhaps the policy of subsidy extension might warrant some further examination.)

No. 5—To the extent that those receiving sub-standard wages and bonus might receive increase in income, comparable reduction in purchasing power from all sections of the community would appear to be in order to meet the present limited total of goods available. This might have to be accomplished through compulsory savings, thus allowing a better division of the monetary claim upon post-war production.

This, Gentlemen, is our submission. We trust that we may have contributed at least some worthwhile thought for your consideration.

Respectfully submitted.

(Sgd.) R. ROBBINS,
Secretary.

A SUBMISSION TO THE NATIONAL WAR LABOUR BOARD BY THE MINING ASSOCIATION OF BRITISH COLUMBIA

Chairman and Members of the National War Labour Board:

This Association wishes to avail itself of the opportunity of expressing its views on the important question of employee relations that your Board is now investigating.

The Mining Association of British Columbia was established in 1921, and includes in its membership all the important producing mines of this province, including both coal and metals.

At the outset we desire to affirm that we unreservedly endorse and support the submissions made to you by the Canadian Manufacturers' Association on May 6 last. In particular:

1. That labour unrest has increased, is increasing, and ought to be diminished if the country's war effort is not to suffer.

2. That the underlying causes of this unrest are:

- (a) The deliberate program of certain labour unions to take advantage of the country's desperate need of labour to exact wages, regardless of the resultant danger of disastrous inflation, and to build up the membership of their unions by demonstrating their ability to secure such higher wages in defiance of the law, and in utter disregard of government policies to prevent inflation.
- (b) The fact that the government authorized higher rates of pay in plants under direct government control than could be paid under the wage ceiling by private industry. This has been one of the most disturbing factors in the whole situation. Moreover it has afforded some excuse for increased wage demands by labour.

3. In the competition to gain adherents under existing conditions, on the principle of "everything to gain and nothing to lose," the advantage is with the union promising wage increases in spite of the wages order rather than with the union that advises its members that the wages order should be obeyed. To remedy this condition the government should institute an intensive campaign to educate labour that in its own interest it should co-operate in combating inflation by helping to maintain the wage ceilings. Furthermore, the penalties provided under the Industrial Disputes Investigation Act for employees who strike illegally, and for those who incite, encourage or aid such strikes, should be fearlessly enforced, so that this law will not fall into disrepute.

4. Legislation compelling employers to bargain collectively with whatever union manages to secure a majority of the votes of the employees, would further aggravate such disharmony in labour relations as now prevails. It would result in aggressive competition between unions for control of workers

in plants, stimulate jurisdictional strikes, and in general detrimentally affect the war effort. It would be grossly unfair to the large number of employees now absent on war service.

5. If such compulsory legislation should be initiated, trade unions should be compelled to register and file their constitution, by-laws and financial returns; to hold annual free elections to protect employees who may join Trade Unions from self-perpetuating officers; and should be held legally responsible for the performance of contracts.

6. The principle of freedom of association should apply in safeguarding the rights of an employee to join or refrain from joining a union, and to join an independent union if he so desires.

7. The "Closed Shop" principle transgresses the principle of freedom of association, and should have no place in any legislation on collective bargaining.

8. The right of trade unions to represent their members in negotiating for collective bargaining has been long recognized by employers. In Great Britain it has been successfully practised for many years, without statutory enforcement of trade union recognition or compulsory collective bargaining. In the United States, however, "an attempt has been made to secure for the unions by statute what the British trade unions have secured for themselves, because they were strong and well disciplined, and proved themselves willing and able to carry out their agreement. For the State to provide the unions with a short-cut to power by passing compulsory union recognition, and collective bargaining legislation . . . is to give the unions greatly increased power before they have developed a self discipline and sense of responsibility which alone can ensure the proper use of power." In Canada trade unions should be given full and unequivocal status under the law, as in Great Britain, and then be required to "stand on their merits."

Labour Relation Conditions in B.C.

Referring specifically to labour conditions in the mining industry of British Columbia, it can be affirmed that for the past twenty-five years or more, harmonious relations generally have existed between the employers in the metaliferous mines and their employees. Indeed the record in this respect is one for which all concerned have just cause for pride and satisfaction. Throughout this period the industry has been non-unionized. There have been no strikes of any magnitude or of long duration. It is inconceivable that this could have been the case if there had been any underlying unrest in the industry or any general demand by labour for unionization. On the contrary there was no demand and no need, since broadly speaking mine wages are the highest in Canada and working conditions comparable with those in any part of the Dominion. In short, the partnership that is inherent between capital and labour has been recognized and exemplified in the mining industry of this province to a high degree, with results that have inured to the mutual advantage of not only the parties directly concerned, but to the Provincial economy. In a measure the principle of profit-sharing has been very generally applied. In the case of the base metal mines this has taken the form of bonus additions to basic wage scales, dependent on the rise of metal prices above a determined level. At many gold mines bonuses are paid to employees on profits. But such arrangements are not in accord with union policies which have no regard for the economies of industry. These policies favour the closing of undertakings where conditions preclude the adoption of wage scales, which can only be exacted from the most highly prosperous enterprises. Should the industry become unionized, and the maximum wage scale now in force be adopted as the norm, it may be positively asserted that at any rate in periods of average or lower metal prices, the copper

mines of this province would be unable to operate. In that connection it can be noted that at the present time, because of the high wage scales in government-controlled plants, it has been necessary to increase wages at the copper mines in order to maintain production urgently needed for war purposes. This increase was only feasible by government subsidization; such subsidization is not likely to be continued when its justification ceases. This implies that in the reconstruction period, these mines, even provided the price of copper does not fall below the present unusually favourable level, will be compelled to close if pre-war wage scales are not restored. In short, consideration that is being given now to the question of labour legislation as affecting the immediate present, should also have relation to its effect on post-war conditions. This is particularly true as regards compulsory collective bargaining and union recognition. Apart from the possible effect of such legislation on the post-war contribution of the mineral industry to reconstruction, such legislation would be grossly unfair to employees, many of them with long service records with their respective employers, who have joined the armed forces, and who have been promised reinstatement in their former positions after demobilization. At the best, these returned men would, as a condition of re-employment, be compelled to seek admission to the controlling union and be mulcted in initiation fees and dues; or, if they refused to join the union under the "Closed Shop" provision, they would be barred from the industry.

We submit that more harmonious relations between employers and employees in our industry will definitely not be improved by legislation which would have the effect of outlawing workmen's co-operative committees, independent, or so-called "company" unions, and of facilitating the domination of the industry by the international organizations, or of compelling the recognition as bargaining agents of any union which happens to secure a bare majority of the votes of employees. On the contrary such legislation is bound to create disharmony, both as between employers and employees, as between employees and employees, and as between one labour organization and another. In British Columbia we have already had direct evidence of this, as a sequence to the passage at the last session of the Provincial Legislature of an act amending the Industrial Conciliation and Arbitration Act. The immediate result of that legislation was that, taking advantage of conditions, and especially of the fact that a large proportion of the regular employees were with the armed forces, the organizers of an international union after five years of fruitless effort, finally succeeded in disrupting the workmen's co-operative committee system that had been operative for over twenty years to the maximum mutual advantage at the largest mine in the province. Incidentally this system ensured collective bargaining on the most representative scale possible.

This Association is not opposed to collective bargaining in principle. It supports it if it is truly representative. Nor is it opposed to trade unions as such. It has, however, great reason to fear unionization of mine labour under the auspices of a foreign-controlled organization of extreme radicalism, whose record in the United States for violent action and disregard of contracts is highly discreditable.

The Mining Association of British Columbia,

(Sgd.) H. MORTIMER-LAMB,

Secretary.

INDUSTRIAL ASSOCIATION OF BRITISH COLUMBIA

VANCOUVER, B.C., June 4, 1943.

To The Chairman and Members,
The National War Labour Board,
Ottawa.

The Industrial Association of British Columbia appreciates the opportunity of presenting a brief on matters now being reviewed by the War Labour Board.

The Industrial Association of British Columbia comprises in its membership a complete cross-section of industry in the province, including the great primary industries of lumbering, logging, mining and fishing, the secondary manufacturing industries, food processing and distribution, transportation, shipping and other utilities. The Association represents a substantial majority of Provincial industries measured in terms of number of employees, and payroll, and was incorporated in 1936 to serve as an advisory body to employers in matters pertaining to labour relations. In the intervening seven years it has had the closest contact with developments in labour relations not only in British Columbia but also in the rest of the Dominion. It is in the light of this experience and observation and a careful study of the history of labour developments in the U.S.A. and other countries, that the following recommendations are respectfully submitted to your Board.

The Chairman in his opening statement on April 15 said the problems to be considered by the Board would fall into two main categories, namely:—

1. The question of labour relations, as to which the Order in Council directs the Board's attention to the provisions of P.C. 2685, and
2. The question of wages, cost-of-living bonus and associated questions, with particular regard to the provisions of the Wartime Wages Control Order itself and the administration of that Order.

The Chairman pointed out that these two subjects divide themselves into two phases under which they should be considered: first, the elements that have a bearing on complete mobilization of industry for the war effort and, second, those which affect the post-war period.

Collective Bargaining

The right of labour and employers to bargain collectively is so well recognized that the necessity to justify or amplify it in any way is, in our opinion, superfluous and would be an unnecessary waste of the Board's time. But the use and application of collective bargaining rights, whether by labour or employers, is however a matter of the greatest importance. This is recognized in the emphasis which has been placed on P.C. 2685 in its reference to the Federal War Labour Board in this enquiry.

In our view, healthy, stable labour relations in industry will never be achieved through any action, legislative or otherwise, which deprives labour of the right of free association. Labour should have the right to elect and choose its own bargaining representatives but it should not be compulsory for any worker to join a union, or any other labour or fraternal organization, to secure employment in order to earn his living. For this reason, if any revision of existing federal labour legislation or Orders in Council regulating labour relations is contemplated, this basic, democratic right should be safeguarded.

To give practical effect to collective bargaining, the right of the majority of employees affected to negotiate must be recognized, but if such right is to be construed as conferring upon unions the right to enforce membership in a union, not of the minority's choice, then the negation of democratic procedure

occurs and a form of union dictatorship is substituted which, in the U.S.A. under the "Wagner Act," has caused countless disputes and costly work stoppages. We submit, therefore, that one of the most necessary provisions to insure healthy collective bargaining practice would be to guarantee to the worker absolute freedom of association in the matter of union membership. His right not to be a member of a union should be protected just as adequately as is his privilege to belong to a labour organization.

Contractual Relations

Working agreements, to be successful, must be founded on mutual trust and goodwill. Labour history is replete with instances of contracts and agreements entered into reluctantly, or unwillingly, where the contract has simply developed into a cause for continual argument and disagreement. The signing of agreement is a step in employer-employee relations that should only be undertaken on a mutually agreeable, voluntary basis. Any departure from this policy is, in our opinion, a definite move in the direction of strike or lock-out action and should be avoided accordingly. Any agreement entered into should be equally enforceable by process of law against both parties.

Arbitration

We heartily subscribe to the policy of arbitrating labour disputes, but we feel that until more study has been given to the merit of "labour courts" that acceptance of arbitration awards should be voluntary.

Union Membership Must Be Bona-Fide

One of the most fertile causes of labour disturbances in Canada and the U.S.A. has been the high-pressure unionization of plants. War conditions have enormously increased employment. At the same time war demands for labour for the armed forces had diminished the labour supply for industry. These conditions favour union activities and promote disputes and discord which probably would not occur to anything like the same extent in normal times. Rival unions in attempting to bring workers into their particular fold capitalize on these difficulties with the result that work stoppages, decreased production, loss of wages, and other costly results are the inevitable fruits of these hasty union achievements. To ensure stability to collective bargaining it is essential that the chosen representation be selected in an orderly manner, and that the workers be given ample time to make their choice. For this reason we feel that the definition of "Union Membership" in the recently amended British Columbia Industrial Conciliation and Arbitration Act should be incorporated in any revision of the federal labour statutes. The definition, which reads as follows—

"Member of a trade union" means a person who has been duly admitted to membership in a trade union, who has continued such membership for a period of not less than three months, and who retains such membership and is in good standing according to the constitution and by-laws of the trade union, and whose dues in the trade union are not in arrears for more than six months.

protects the worker against loss of his collective bargaining rights through high-pressure tactics and will go a long way to stabilizing union bargaining rights once they are properly established.

Labour Associations:

In many industries excellent employer-employee relationships exist through the functioning of employee associations not affiliated with national or international unions. It is our opinion this type of organization should be given full

recognition in any legislation contemplated, and in this connection we recommend the adoption of the definition of such organization presently appearing in the British Columbia Industrial Conciliation and Arbitration Act,

"Organization," when used in relation to employees, means any organization or association of employees formed for the purpose of regulating relations between employer and employees; and when used in relation to employers means any organization or association of employers formed for the purpose of regulating relations between employers and employees.

British Columbia Conciliation and Arbitration Clauses Should Be Incorporated in Federal Labour Laws:

The conspicuous success of the conciliation and arbitration clauses in the "British Columbia Industrial Conciliation and Arbitration Act" in keeping industries under provincial jurisdiction relatively free from strikes is ample evidence that this type of legislation is of great practical value in maintaining continuity of employment and in fostering good labour relations. The basic principle of the act is, of course, the "cooling off" period which makes a strike or lockout illegal until the dispute has been investigated, conciliated and, if necessary, arbitrated. In our view, these statutes have contributed more to the relative freedom from strikes enjoyed by British Columbia in the past six years than any other factor in labour relations.

Responsibility of Labour Unions:

The influence of trade unions is becoming of such importance in this country, and the U.S.A., that they have been classed as "big business". It should not be necessary, therefore, to justify a recommendation that these organizations be brought under the same statutory requirements as corporations under the "Dominion Companies Act". Outside of the influence of trade-unions upon the industrial and economic life of the Dominion, it is very definitely in the workers' interest that these organizations be required to supply their members with financial and other returns in the same way as corporations have to do under the "Dominion Act". Finally, if a union is given the right to represent a group of employees, it should be legally responsible for the acts of its officers in any wilful breach of the provisions of any contract made between the union and an employer.

Wages and Cost-of-Living Bonus:

The National and Regional War Labour Boards have handled a difficult and complex problem in a manner that deserves the commendation of industry and labour. It was to be expected that the decisions of the board would not always meet with approval. Increased prices of many commodities not included in the federal cost-of-living index, higher wages in war industries, manpower shortage and other factors naturally tend to create resentment against wage control. Nevertheless, we believe an honest, painstaking attempt has been made to interpret the government's policies fairly by the National and Regional Boards, and we believe the same organic structure in dealing with wage control, should be continued.

In our opinion, it would facilitate the work of the National and Regional Boards if applications for wage increases, when submitted by unions or third parties, should not be considered until the Board has had ample time to investigate such requests and, through proper investigation by its officers, has ascertained that the application is bona-fide and that the rates requested do not violate the ceiling wage in force in the same or comparable occupations in the region in which the application is submitted.

Jurisdiction:

We recommend that those industries in British Columbia which have not been classed as war industries continue under Provincial jurisdiction in labour matters. In the past six years, operating under the Provincial Industrial and Conciliation Act, industries under this statute have achieved an enviable record of peace and harmony. On the basis of this experience we cannot too strongly urge that industries now under provincial jurisdiction be permitted to remain in that position.

The foregoing recommendations are presented by the Industrial Association of British Columbia in the hope that they may be of some assistance to the War Labour Board in solving the problems now before it. The association will gladly submit any supplementary information which the board may require, bearing on the experience of industry in British Columbia in labour relations and associated problems.

Respectfully submitted,

Industrial Association of British Columbia,

By C. E. EDGETT,

Vice-President and Manager.

NORTH VANCOUVER BOARD OF TRADE

North Vancouver, B.C.

*Notes on the Breakdown of Subjects to be Considered by the National
War Labour Board During Its Enquiry Into Labour
Conditions in Canada*

Report of North Vancouver Board of Trade May, 1943.

- (1) *Labour relations in general*—(desirability of a code plainly stating government policy and machinery to enforce that code)
 - (a) Underlying causes of strikes—dissatisfaction with not having grievances promptly investigated.
 - (b) Collective bargaining—should be compulsory in all cases.
 - (c) Machinery to deal with jurisdictional disputes, etc.—representation of labour and employer.
 - (d) Machinery to avoid disputes—personnel managers.
 - (e) Machinery to settle disputes—3 man arbitration boards.
 - (f) Specific amendments to existing laws and orders—to allow for necessary adjustments to effect above changes.
 - (g) Desirability of a consolidation of all labour orders and proposed amendments in a code—should this be adopted by legislation or order in council?—Legislation.
- (2) Questions arising *re* wages and the application of the cost-of-living bonus.
 - (a) P.C. 5963—Cost of living order—what amendments should be made?—A uniform cost-of-living order.
 - (b) Should a uniform cost-of-living bonus be paid?—Yes, up to a certain wage scale.
 - (c) How should conditions arising be dealt with?—On a comparable basis with similar lines of endeavour.
 - (d) Should there be a floor below which the wage freezing order would not apply?—Yes.

- (e) To what extent should an effort be made to have wages equal throughout the country?—Wages should be highest where cost of living is most. A levelling off of wages would create hardship in certain sections.
- (f) To what extent should those fixing wages use as a principle the desire to pay a living wage?—Cost of Housing—Transportation Costs—Cost of Living—Cost of Clothing.

(Signed) J. R. BURNS,
Secretary.

BRIEFS SUBMITTED BY MR. E. S. RUTLEDGE, FORT WILLIAM, ONT.

BRIEF I

1. The chief determining factor in the prosperity of this country is a fair parity price relationship between the chief groups that compose our economic life. And it is because of a disrupted economy that we have had ten years of sore depression, and no other reason.

2. There was general prosperity in the 1920-30 period, because there was a fair exchange of labour value between industrial and rural labour. But prosperity was at an end with the catastrophic fall in price of farm products in 1930-31, because the urban wage standard did not decline in sympathy.

3. The proof of this thesis is seen in the fact, that while the agrarian group received one-sixth of the national income in the "twenties" they only received one-tenth of the national income in the "thirties".

The Farmers lost their Purchasing Power

What happened? The farmers had lost their purchasing power, because of the low prices for their products, and high prices for the goods and services they were in need of. There was now no fair exchange of labour between urban and rural citizens, but upon a 1 to 2-3 ratio, and salaried officials still higher in the ascending scale; and unemployment was the logical result as could only be expected.

And the further concrete results—statistics show: the farmer group has only had a 71 cent dollar in his pocket on an average through the 1930-40 decade. And this signifies that the tillers of the soil have been victimized by industrial labour and urban society in general, to the tune of over two billion dollars, because of the disparity in price levels. And the farmer still has a discount dollar, notwithstanding the higher prices that have come to him out of the exigencies of war.

Who then was Responsible?

Who then was responsible for this condition of affairs? First, the government of the day for making no effort to remedy the non-parity relationship that existed from 1932 on to the present. And second, the Trade Unions, more particularly labour leaders, who have never ceased to clamour for higher and still higher wages, that were already uneconomic and more than 30 per cent too high.

A few pointed paragraphs

1. At the outbreak of this war the price of farm products was precisely the same as just prior to the 1914 war while the wage and salary standard in

urban life was full double that of 1913. And under such conditions where was the fair exchange of labour, the essential requisite as claimed at the outset.

2. Says the Searle Grain Commission: The purchasing power of a bushel of wheat is now only 57 per cent of that in 1913, when a fair price parity existed in urban and rural economy.

3. Says the *Globe and Mail*: That while the average income of town and city workers dropped 10 per cent during the period 1930-37—that of the farmers dropped 60 per cent.

Better Prices now for Farmer

Does anyone say: "But the farmers are getting good prices now, and the non-parity alluded to has been pretty well ironed out." Here is the answer: "The Canadian Bank of Commerce in its February letter shows as regards the farmer's purchasing power—for the year ending September 30, 1942—there was a decrease from 93·4 to 90·1, because of the increased costs the farmer met with on every hand.

Dated April 12, 1943.

E. S. RUTLEDGE,
Fort William, Ont.

BRIEF II

Industrial Wages—Uneconomic

The "bête noire" of Canadian politics is the incessant urge for higher and still higher recompense for human service in every department of our economic life. And with two wars an impasse has surely been reached. But the disquieting thing about conditions is—that while everyone wants the prosperity that foreshadows a post-war era, few there are who are willing to pay the price for it.

We entered this war with industrial wages double that when we entered the 1914 war, and the present war soon brought a vivid reminder and the common remark—look out for inflation. And Order P.C. 7440 was passed in December, 1940, putting a ceiling on wages. And notwithstanding, how have the bosses of the labour unions treated this order, that was too generous in its provisions in the first place, not to speak of a cost of living bonus tacked on that had no factual justification. For the cost of living index for September, 1940, was 12·6 per cent below the average level of 1929, and I hope your Board will not overlook the fact, that the cost of living index at the present moment is still below the 1926-29 base.

And how are we to characterize this strike frenzy in this war period, but a national disgrace. The War Labour Board has the record of work hours lost, and it doesn't look good, and the whole record of these unseemly strikes, I submit, does the governmental authorities no credit.

Also, we are now regaled with published figures that union labour through professional leaders had punctured this wage ceiling in hourly wage increases to the tune of over 50 million dollars—if such a thing is possible. Higher wages, I affirm, is not the need of the hour, and is no remedy for anything in this day, but altogether a detrimental factor in our economic life. High wages, I assert, is the straight road to the "economics of scarcity" and unemployment. But a lower wage and salary standard and more truly related to an agricultural base, is the direct road to the "economy of abundance" and general prosperity. And I ask the members of the National War Labour Board do you accept this thesis as sound doctrine? If you do, then I am happy.

Higher Wages

Higher industrial wages spell exploitation and are inimical to common justice and right. Canada's salvation consists in a lowering of the wage standard, not raising it. Higher wage is America's master illusion.

Read—Mark—Learn.

But I shall not extend this brief, only to add a few quotations:

R. J. Deachman, Economist: "By every test the wage increase proposal is wrong."

Doctor Moulton, President of Brooking Inst.: "Wages have been forced so high through 'collective bargaining' by special groups, that they defeat their own purpose."

The Alexander Hamilton Institute, U.A.: "A downward readjustment of wage scales to a level which will permit the lower prices needed to stimulate demand for a larger output of goods is the only solution to the unemployed problem."

H. E. Latimer of Macdonald College, at the close of an exhaustive analysis of question of wages, says: "All these results indicate that the chief cause of unemployment is high wage rates, a fact largely evaded for the past six years."

E. S. RUTLEDGE,
Fort William, Ontario.

Dated May 15, 1943.

BRIEF III

After scanning *The Record* for May, a periodical of the Canadian Chamber of Commerce, Montreal, I would esteem it a privilege to make a few observations thereon, in the interests of the National War Labour Board.

This number deals with the vexed question of Labour Relations and Labour's attitude in a time of great stress, and is calculated, no doubt, a thesis for study by the War Labour Board.

The report is indeed broad in scope and conciliatory in terms, and yet I ask, how far will this go to put an end to strikes—while Canada fights for its existence. And what can "collective bargaining," or a "labour code," or a Labour Court do for industrial peace. Do you really believe, gentlemen of the War Labour Board, that any or all of these pacific provisions are in themselves a solvent for the labour unrest and strike frenzy we see all about us?

If codification of the many and complex Acts we have relating to Labour will clarify and assist adjudication, let us have it. Even a labour court may be a smoothing iron for labour disputes. But it is not a labour court we stand in need of, but a council of actuaries to determine what is a proper wage in each department of our economic life. As it is now, wage fixing is a racket and there is not the slightest attempt to post a fair and economic wage. We have, indeed, no executive body for ascertaining what is the proper wage in any calling. The Bureau of Statistics would be competent in this field, but they have never been permitted to enter this government preserve.

And why all the clamour for "collective bargaining"? To enforce higher wages that are already too high is the answer. And yet *The Record* approves the principle of "collective bargaining". But it is the principle we are objecting to—the compulsory feature. Collective bargaining, I say, is a false note in the economic symphony. We have always had voluntary collective bargaining in wage disputes, and compulsory bargaining is not only undemocratic but most likely is "ultra vires" of the Ontario Legislature, because an invasion of private rights.

With a ceiling on wages why are strikes so conspicuous, and nearly all strikes are for higher wages. And has labour any provocation for higher wages, through increased cost of living, etc.? None whatever, for cost of living is still less than the 1926 index. Then why have we strikes—because of the greed of human nature and a vacillating government.

And *The Record* says: "Employment can best be maintained by increased production." Which is only saying, the harder you work the more you will earn. But I ask, how do we increase production? By higher wages? Never. That is the false illusion I have been alluding to.

As a finale to this subject let me speak in serious vein. The remedy for strikes and labour unrest is a balanced economy and there is no other solution. And a balanced economy we can never have under the present system. A stabilized price for wheat and a basic wage for common labour truly related to the pegged price for wheat. There you have the foundations for a free, democratic people, and equitable relations in every department of our economic life.

E. S. RUTLEDGE,

Fort William, Ontario.

Fort William, June 10, 1943.

A BRIEF OUTLINING OF THE ECONOMIC STATUS OF THE MEMBERS OF
THE NATIONAL UNION OF MACHINISTS, FITTERS AND HELPERS
LOCAL No. 2, VICTORIA, B.C.

At the meeting of the above on May 21, 1943, a committee was appointed to present to Mr. Justice C. P. McTague, Chairman of the National War Labour Board, Ottawa, a brief outlining the economic and social conditions of the above union. This outline has been constructed from material of many research groups, from the Dominion of Canada, the United States of America and Great Britain.

The bibliography will be attached, at the conclusion of this brief.

To interpret properly the effect of the industrial structure (1943), we must consider the industrial structure from two viewpoints. First, we must analyze the evidence of variations in that structure as apparent in the latest available records, and, secondly, we must trace the evolution of that structure. The problem is somewhat akin to that of the scientist in studying the evolution of species. He first notes evidence among living creatures of essential similarities. He also notes peculiar evidences of adaptation to environment shown by these similar species living in different environments. Then by a study of fossil remains he is able to reconstruct a time story of this adaptation to environment.

Our problem is simplified to a great extent because we have fairly authentic, although not exact, information covering the period beginning when the nature of industrial structure began to change significantly to the present. Where biologists have had to reconstruct the past from facts of the present, we have both present facts, and significant figures of the past. It must be admitted that Victoria, B.C., is not in any sense of the word an industrial centre. It has been known as a city of tourists, and also the capital of the province. However, since the declaration of war upon the Germans, and later other countries adopting the ideology of the Nazis, it has turned to the training of men and women for war-time service; also, there has developed a ship-building industry that even the wise prophets of the business world could not foresee.

We all understand that the facilities of the city were not designed for a population such as that within the confines of the city and its outlying districts. We can say with clarity that the efforts to take care of this influx have not been adequate. Both the civilian and armed forces are suffering from what we term, without qualifying our statement, inefficiency of the worst type. Where to place the blame is difficult, however; there is a definite reluctance on the part of the powers that be to accept the offers of the various labour groups to help solve these problems.

We would like to point out at this time there are many of the migrants to the city highly skilled technical men—granted they wear overalls, but their training has been in the realities of living, and as in their workday life that implies planning, so we can make a definite statement that the cause of the whole of the problems is the lack of planning; of course, planning involves thinking, and that, of course, would involve much use of the place where the hat covers.

We have found on many occasions the lack of someone who has the power to issue an order and carry it out. Neither will they delegate some with power to solve these problems; the problems next evolve into provincial and then into dominion; what one cannot do they say the other can, therefore, at the end nothing is done.

Since the start of the war, labour as a whole has been asked to forego many of the privileges that had been granted to them after many years of progressive thinking and getting politicians to see that these changes were for the benefit of the population as a whole rather than the few foregoing their hours of leisure to bring these conditions about such as they are.

It has to be emphasized that labour as a whole is in accord with government to end this war as speedily as possible and to give its all to expedite the conduct of the war effort in Canada, but it does object to being penalized when so many others are allowed to conduct their life just as if no war were on; labour is working seven days per week, and has no time for pink teas. Let us illustrate a case in point: Victoria is celebrating a centenary dance at the Empress Hotel, and the price is five dollars per couple—this, right after the drive to get funds to conduct a war against intolerance. Labour was asked to give to this war loan, and it did; many gave their time freely in order to bring the loan to a conclusion worthy of the people of Canada, with no reimbursement for their time and effort. This we consider a flouting of the efforts of labour—we will put it this way: "Do as I say; not as I do," and we consider that such sabotage of the efforts of the labour groups in Canada should not be tolerated for the duration of the war; if rationing is being conducted—to use a modern phrase—"on the square" let us see to it that such waste of human effort to put on a useless show is put to an end.

We will now consider the data that is available to the present, regarding the problems of labour in Victoria, B.C., as follows:

1. Unemployment prior to the war.
2. The employment of skilled men.
3. Diets as set for a minimum and maximum standard of living.
4. Cost of living indexes and their implications.

Unemployment Prior to the War

In order to understand the philosophy of the majority of those employed at present in the shipbuilding industry and its associated elements, also other private enterprises undertaking the production of materials for war, we must review the conditions that were prevalent at that time.

It must be remembered that this particular industry was at a very low ebb, up to September, 1939, and it can be stated that the vast majority of those now employed were either on relief or maintaining their homes at a very low standard of living. And a majority of them had had no experience in shipbuilding; those that had, had been holed up, to use a phrase, since the year 1922, and now at this juncture, we have to admit if it had not been for this highly trained skilled group (and we should add at this point, their ages were a detriment to their obtaining work in many cases in other industries prior to the war, the age limit being 35 years) those referred to would be the loftsmen, platers, et cetera. Granted methods of building ships have vastly

changed since ships were built on this coast since 1922. It does not alter the fact that these men are the backbone of our present efforts in building ships on this coast. That does not imply that other trades were not essential—we have in the industry, draughtsmen, tool and die makers, machinists, fitters, operators of many machines used in the industry, and lastly, but very essential indeed, the so-called common labourer, and in the skilled trades called helpers, without whom the above skilled men would be helpless. Again, granting that machines are used to-day which eliminate that class of help, we are, however, cognizant of the fact that those type of tools are non-existent on the Canadian Pacific coast.

Shifts in Occupation, 1881-1931

The three major influences affecting the wage-earning groups of Canada are as follows: changes that have occurred in occupation, in migration, and in the number of people.

We have prepared a chart covering the shifts in occupation from 1881-1931, which will bear out many of the statements that are covered in this report.

In 1881, over one-half—53 per cent, to be exact—of all people gainfully employed, to use a census phrase, were engaged in agricultural and allied occupations. As will be noted in the chart, the proportion decreased gradually and steadily till 1931, when only a little over one-fifth—21 per cent, to be exact—were in agriculture. Now, we would point out that these agricultural workers on these farms produced about two and one-half times as much farm products in 1931 as in 1881. The application of science and invention to agriculture, and progress in the technic of farming, released about 60 per cent of the farm population for other occupations during these years. This release of people from farming took place gradually. The middle-aged and old people continued to farm, but a large proportion of the young people, varying usually between a quarter and one-half of each generation, moved to town. Between 1920 and 1931, and probably for five years preceding, this migration from the farms was so large that farm population actually decreased in number.

These young people who went to town found employment mostly in the manufacturing and mechanical industries, or engaged in trade and transportation, while some undertook mining or entered the various services—clerical, personal, public and professional. But after 1920 the proportion of the population engaged in manufacturing and employed on the railroads began to decline, and the shipbuilding industry faded out altogether, and more of younger groups from these farms found it necessary to enter other occupations.

The proportion of the population engaged in trade and commerce more than doubled between 1881 and 1931, and the proportion in clerical and profession work also doubled between 1881-1931. But there are great differences in trend between the various clerical and professional occupations. Stenographers have increased greatly in number, while some other clerical occupations have declined relatively. Clergymen, lawyers, physicians, and veterinarians, actors and musicians have remained almost constant in number since 1910, despite the increase of one-third of the nation's population; while authors, librarians and trained nurses increased many fold between 1911 and 1931. The increase in number employed in manufacturing and repairing automobiles was enormous, and if data were available the same would doubtless be true of employees of beauty parlours.

Without going into the details of the above data, it is fruitless that we ignore these data, if we are to solve either the present man-power shortage, so-called, or to talk of the post-war rehabilitation scheme, no matter how well it may sound on paper; as Sir William Beveridge stated in 1910, and again in 1930, there are two things that must be done—one is to humanize industry, and the

other was, in order to have a satisfied citizenship, they must have the facts; and we might add another of his statments of those times, as follows: "Unemployment is not an act of God, but a problem of industry."

At this point we would suggest to the government of Canada, that a real inventory of manpower be taken, that is a realistic picture of Canada's need for man-power, and then delegate those who know what industry needs are, instead of leaving it to political appointees whose knowledge is for their own self-aggrandizement in Canada's society.

Cost of Living, Canada

It seems we are advised at this point to phrase another word or two—the title should be the "Cost of Livability".

The significant facts regarding the operation of the economic machine—or system, as some seem to call it—and its efficiency, could be determined, if it were possible to place the economic machine on a great testing-block. The procedure would lend itself readily to description, and the results obtained would convey much the same meaning to everyone.

The ideal testing procedure unfortunately is impossible of realization. There are significant differences of opinion as to how the efficiency of the economic machine should be measured, what the unit of measurement should be, and how the results should be interpreted. Indeed the differences seem to be in hopeless confusion.

Some of the persons who are regarded as experts on economic matters fail to justify the confidence reposed in them. Their methods are not of a nature to secure satisfactory results, because these persons are inclined to avoid the use of statistical analysis. Deductive logic is an important tool of the scientist, but for many subjects in economics it needs to be reinforced by additional inductive reasoning based on concrete facts.

The subject of cost of living has been a most controversial point in all dealings between management and labour, due, one could say, to a fact no one can deny—that my neighbour does not need as much as I. In other words, there is no well-defined standard of living in either Canada, the United States of America or Great Britain. The society of all the above-mentioned countries is stratified, just as is the soil, the land. As the records show, the President of the United States has stated on many occasions that "one-third of the people are ill-fed, ill-clothed and ill-housed" and the National Resources Committee's Report to Congress, *Incomes in the United States*, tells an unbelievable story regarding incomes of the majority of people of that country, substantiating the statement of Mr. Roosevelt of ill-fed, ill-clothed and ill-housed people; and the reason for so much dissatisfaction in the ranks of wage-earners is the question of what his wages will purchase in food, clothing and shelter, when he sees so few having so much.

Let us for the moment examine the disbursement of incomes in Canada, as reported from the Dominion Bureau of Statistics, or rather, the distribution of incomes in Canada. Much talk of income distribution has led to hot disputes. The per capita income of Canada, as a whole, averaged \$447 for the first decade 1919-28, and \$370 for the decade from 1929 to 1938, a decline of 17 per cent in the second decade as compared with the first. It should be pointed out at this stage of the game that, regardless of incomes, the feeding, housing and clothing of the wage-earner groups is an every-day occurrence, and no manner of statistical data will change the opinion of the housewife. Granted we can all grow our food, if we have the seeds and the soil, but the wage-earning groups are handicapped in many ways to take on the production of food crops, if they have to put in eight hours a day in some factory, at any rate, as was pointed out in the shifts in occupation. Farmers in Canada are

producing $2\frac{1}{2}$ times as much as in 1881, and we all know now that one farmer can produce enough for 66 persons living in the city. This goes to show, if Canada is to be operated efficiently, there are needed changes somewhere, probably another shift in the occupation of the working population of Canada.

Provincial Distribution of Incomes

Province	1937	1938	Average 1919-28	Average 1929-38
Prince Edward Island.....	22.5	23.1	23.1	22.4
Nova Scotia	159.7	163.1	157.8	149.5
New Brunswick	121.2	121.4	114.6	112.2
Quebec	1,502.5	1,053.2	917.7	961.1
Ontario	1,721.0	1,733.4	1,564.3	1,591.8
Manitoba	257.1	261.3	299.3	253.8
Saskatchewan	240.1	248.1	339.7	250.3
Alberta	257.3	268.3	303.3	258.9
British Columbia	368.0	372.7	344.2	338.7

The above table to the average person does not mean a thing, but it does—it shows the way incomes are distributed in Canada. British Columbia is supposedly the richest province in Canada per capita, in dollar value. When the dollar value is stripped of all its meaningless verbiage, it means that in British Columbia the standard of livability is just as low for the wage-earning group as it was in Asia and Europe. Granted we might have better weather conditions on the coast, but as one of my old friends said once, you cannot live on climate.

Prior to the last war there was an extensive survey made of the living conditions in Canada, and some remarkable evidence was brought forth to justify many changes in the living conditions of the wage-earners in Canada, but nothing was done. Let us present to you the necessities that are required to keep the human beings living in Canada, in a fit physical condition to produce the goods and services required by the eleven million of the population of Canada, as taken from nutritional groups that have surveyed the requirements of their many groups in many parts of the world. We believe if that is understood by all, that is especially to be noted by labour and management, for it is a well-known fact that, although many words have been said regarding the standard of living that is obtainable in Canada, not many know the real picture of the conditions that exist, and the remedy that will end many of these so-called controversial subjects. When the words Red, Fascist, et cetera, are flung back and forth, and nothing comes of it, of course many of us know that some do not want to see the picture. As one of the rulers of France said: "When they are hungry, give them cake." And the other group, who think if they "take a man who is down and out, outfit him with a dinner suit from head to foot, including a walking-stick, and give him a \$2.50 dinner, the problem of the poor is solved." Is it? That is the problem of Canada and many other parts of the world facing them after the war—as the National Resources Committee so aptly puts it: "After the war, what?"

Questions regarding the standard and cost of living of any particular population group are constantly occurring under a variety of circumstances, and the answers are not always forthcoming because of the difficulties inherent in establishing the standard, ascertaining its cost, and keeping both standard and cost up to date.

The budget content and other bases for computing costs are set up with reference to the needs of individuals living in a family group. These needs are related to the following persons: male industrial, service or other manual worker of small means; his wife, who does all the work in the home, including cooking (of course, we know what the wits will say now that women are in war industries—they are with us just like bad weather), cleaning, laundry,

etc.; children of both sexes, between the ages of two and fifteen, inclusive. No provision is made in the budget for estimating costs for individuals who live apart from a family group. Most items listed and their quantity weight are of general application in urban areas throughout the country; such special accommodations as are necessary result from differences in climatic or other local conditions, not from differences in standards of living or individual needs.

It should be emphasized that there is nothing in these data to indicate the source of income from which their cost be met. All that is intended is to give a picture of what is a standard of living, and to show that it is a problem from birth to the grave.

(From United States Department of Agriculture, Circular 507, Page 7.)

TABLE I
QUANTITIES OF FOOD REQUIRED AT DIFFERENT AGES FOR EACH SEX

Sex, Age and Activity	Yearly Quantities of								
	Flour Cereals Lbs.	Milk Qts.	Potatoes Lbs.	Toma- toes, Citrus Fruits Lbs.	Other Vege- tables and Fruits Lbs.	Sugars Lbs.	Butter and Fats Lbs.	Lean Meats Poultry, Fish Lbs.	Eggs Doz.
Men 20-74 years—Moderate work	300	91	135	50	200	77	40	125	15
Active work....	225	91	153	50	200	80	52	150	15
Men 75 yrs. and over.....	175	91	135	50	200	50	40	100	18
Women, 20 years and over									
Moderate work	175	91	135	50	210	50	40	100	18
Active work	192	91	150	50	210	77	50	120	18
Boys—									
16-19 years	225	91	160	50	210	80	55	150	18
13-15 "	192	182	150	50	210	77	50	120	18
11-12 "	175	182	135	50	210	50	40	100	18
9-10 "	170	182	130	50	205	35	32	75	24
7-8 "	150	182	125	50	200	25	25	60	24
4-6 "	100	182	110	50	150	12	12	25	24
Girls—									
14-19 years	175	182	135	50	210	50	40	100	18
11-13 "	170	182	130	50	205	35	32	75	24
8-10 "	150	182	125	50	200	25	25	60	24
4-7 "	100	182	110	50	150	12	12	25	24
Children—									
2-3 years	70	230	100	50	100	5	8	..	24
Under 2 years	65	275	40	50	42	..	4	..	25
Average per capita, United States population, 1930	175	168	135	50	194	55	38	100	19

Based on consumption of urban and village families spending moderate amounts for food.

TABLE II

(From "Quantity Budgets for Basic Maintenance and Emergency Standards of Living"—Works Progress Administration, Division of Social Research, Washington, 1936, Page 13.)

Clothing, Clothing Upkeep and Personal Care

The kind and quantity of clothing required by any family is determined with reference to the needs of its individual members. Clothing costs for families of any size and composition are computed by adding together these separate costs. Requirements for certain items of clothing upkeep and personal care, however, are calculated on a family basis, and quantities and costs depend on the number, sex and age composition of the family group.

Inasmuch as the budgets are for a standard of living represented by the family of an industrial, service or other manual worker of small means, social requirements are simple and hard wear on dress clothes is avoided through use of specialized work garments.

NOTE: Due to the fact that this table involves so many details see above-mentioned Research Bulletin, "Quantity Budgets," etc.

TABLE IV

(From same Research Bulletin as Table II—Page 30)

Fuel required per year in four different climates; coal, coke and wood for specified purposes in specified number of rooms:

Fuel	Purpose	Months Required	Unit	MAINTENANCE STANDARD				EMERGENCY STANDARD			
				Rooms				Rooms			
				3	4	5	6	3	4	5	6
Anthracite..	Room Warming, Cooking, Water Heating.....	7	ton	3½	4	4½	5	3	3½	4	4½
Anthracite..	Cooking, Water Heating.....	5	ton	.....	.....	.....	.....	1	1	1	1
Bituminous Coal or Coke	Room Warming, Cooking, Water- Heating.....	7	ton	5½	6½	7¼	8	5	5¾	6½	7½
Bituminous Coal or Coke	Cooking, Water- Heating.....	5	ton	.....	.....	.....	.....	1½	1½	1½	1½

TABLE X

(From same Research Bulletin as Tables II and IV—Page 44)

MINIMUM MEDICAL SERVICES REQUIRED PER YEAR PER 1,000 PERSONS

Service	Expected Annual Service Per 1,000 persons	Rate Per Service	Annual Cost per 1,000 Persons
Physician:—			
House Call.....	900		
Office Visit.....	1,400		
Obstetrical Care.....	20		
Appendectomy.....	8		
Tonsillectomy.....	32		
Nursing Care:—			
House Call.....	400		
Dentist:—			
Cleaning.....	300		
Two-surface Amalgam filling.....	200		
Extraction.....	100		
Optometrist:—			
Eye Refraction.....	25		
Glasses, Pair Lenses and Frame.....	25		
Hospital:—			
Day in Pay Ward.....	1,000		
Medicine:—			
Iodine (1 oz.).....	250		
Cough Syrup (3 oz.).....	500		
Cold Ointment (1½ oz.).....	500		
Milk of Magnesia (16 oz.).....	250		
Laxative (18 Tablets).....	500		
Aspirin (5-gr. tablets, 24).....	500		
Prescription (liquid).....	500		
Total.....			\$

The above will give us a starting point as to how the family of the wage earner should be fed, if they are to maintain that physical fitness so much talked of in circles of the economic liberalism. Of course, we are aware of the fact—as Mark Twain when he was supposed to have said: “Everybody talks about the weather, but no one does anything about it.”—However, we do intend to do something about this, and that is to educate each and every worker that, as scientists have worked out his physical problems, it is his part now to see to it that it is done.

We will now turn our attention to the cost of living index, which is causing so much concern, not only among the wage-earners that wear the overalls, but the so-called white-collared salary earner. It has been said that there are two kinds of prices—“flexible and inflexible.” We mean by that precisely what the word means. Take public utility prices—electricity, water, gas, street-car rides, etc.—there are many illustrations—they are the “inflexible prices,” and the wages flexible prices; they are not only atomistic, meaning “very small” when it comes to the purchasing of the foods and shelter required, but very much static. True, they rise, but only when the worker refuses to work any more for his flexible wages.

From the investigation of cost of living in 1913, it is shown that living costs prior to the war in 1914 were substantially lower than they have been at any time to the end of 1942. This fact has been overlooked by many of the commentators of cost of living facts when adjustments have been asked by the employee groups since the outbreak of the present war. Although price increases were generally much greater during the first three years of the last war than in the three years ending December, 1942, some of them at the end of 1917 remained lower than corresponding prices at the end of 1942.

Reviewing the movements in living costs during the first two years of both wars offers a marked parallel. In both cases there was an immediate advance of approximately three points followed by a period in which no significant change occurred. In the first war this continued until the fall of 1915, while in 1940 a gradual advance commenced in March. This advance of 3.4 points from January 1915 to January 1916 compares closely with the 4.4 points advance between January 1940 to January 1941. At this point it was generally understood that the price control board in Canada would prevent this thing of price runaways that took place in the last war. Apparently it did not, for the same thing happened, and, we might add, worse, because

TABLE I (FROM THE D.B.S. 1943)

*Contributions of Budget Groups to Changes in the Cost-of-Living Index
August, 1939–December, 1942*

Budget Group 1-x	Aug. 1939 Dec. 1942 40 mos.	Aug. 1939 Mar. 1941 19 mos.	Mar. 1941 Nov. 1941 8 mos.	Nov. 1941 Dec. 1942 13 mos.
	x10.45		x3.04 x 5.11	
Foods.....				x2.30
Dairy Products.....	x2.36	x1.67	x0.28	x0.41
Eggs.....	x1.52	-0.25	x1.55	x0.22
Meats and Fish.....	3.75	x0.65	2.17	0.22
Cereals.....	0.43	0.38	0.03	0.02
Dry Groceries.....	1.09	0.56	0.46	0.07
Vegetables.....	0.28	-0.09	0.09	0.28
Fruits.....	1.02	-0.12	0.53	0.37
Fuel and Lighting.....	x0.84	x0.60	x0.23	x0.01
Rentals.....	1.36	0.70	0.23	0.03
Clothing.....	2.41	1.68	0.71	0.02
Home Furnishings and Services.....	1.50	0.95	0.57	-0.02
Miscellaneous.....	1.34	0.33	0.85	x0.16
Index increase in points.....	17.8	7.3	8.1	2.5

wages are frozen and in cold storage, but the cost of living to the wage-earner still goes higher and higher, just as the new type of planes to beat an enemy that we are told is bringing these price increases about. We can say to those that encourage these increases in price that they are saboteurs of the worst kind.

The outstanding feature of the above table is the predominant and steadily increasing influence of foods on the movements of the index. Over the whole wartime period this group has contributed 10.45 points or 58.4 per cent of the total increase. Its share in the August 1939-March 1941 period was 3.04 points, 41.6 per cent of the total. From March, 1941, to November, 1941, it caused 63.1 per cent of a total rise of 8.1 points, and between November 1941 and December 1942 of a 2.5 points increase. Foods were responsible for 92.0 per cent.

There we have a picture of what the wage-earner is up against. Many a claimant for an increase in wages has pointed out that his food costs have gone up double, but these wizards of the figure point to the D.B.S. figures and say, "Oh, it has only gone up 2.5 per cent." Then these committees go away, saying, "Something wrong somewhere, but where?" For their benefit, there it is. Many of us knew this, but we were not in on the discussions.

It appears that meat and fish have been the biggest offenders in raising the cost of living in every period from August 1939 to March 1941. Then 55.3 per cent of the food's share in the change in the index was derived from dairy products.

In that period, meats and fish contributed 21.4 per cent of the food's share; from March to November 1941, 42.5; from November 1941 to December 1942, 40.4; and over the whole 40 months 35.9 per cent. Between August, 1939, and March, 1941, dry groceries contributed 18.4 per cent of foods, 3.04 increase in response to coffee, tea and sugar changes. The only decrease recorded by food sub-groups was in the August, 1939-March, 1941, period, when eggs and vegetables each brought the index down a fraction of a point.

Although the total cost of living index advanced by only 17.9 per cent from August to December 1942, a substantial number of index items have increased by much more than this amount. Conversely, a considerable number of important living requirements have changed much more than that amount. Public reaction to the index undoubtedly has been influenced by the fact that some of the largest increases have occurred for items which are purchased frequently, while other important items which produce only occasional expenditures have risen very little. The following foods, for example, have advanced by more than 50 per cent: Butter, cheese, stewing beef, veal, finnan haddie, salt, lard, tea and oranges, and locally wood prices have not only risen—they have soared to the skies, as have other fuel costs. In buying coal, one can get coal, providing he has his own transportation—otherwise he secures a transfer man, and then it costs 25 cents per sack, over and above the cost of the coal, which ranges from \$8.75 to \$13.50 a ton. That is not included in the index of the D.B.S. as they are given these data. On the other hand, 26 of the 37 items in the miscellaneous index either remained unchanged or increased by less than 10 per cent. This group represents 23 per cent of the total index budget and includes such items as insurance premiums, doctors' fees, etc., which are paid infrequently and have changed very little since 1939.

However, it is public opinion that those employed in war industries are making money hand over fist. That should be corrected, as the wages that are assumed high are paid only to the skilled tradesman and a number get less than \$100 per month.

Cost of living index implies consumption; at least to consume under the monetary system under which we live, consumption should be part of our study.

In order to understand the operation of the economic machine, its purpose, its reason for existence, and its end, products must be known. Thus, by a discussion of consumption, so we better know the road by which we travel.

What is consumption? Briefly, dealing with the utilities connected with goods and services.

The consumer's problem. One aspect of the problem faced by consumers has been called "the meaningless acrobatics of quality, price and cost". One outstanding one is as follows, from the Journal of the American Medical Association: "It is really too bad that bacteria cannot recognize a superior antiseptic, as well as the nose,—for according to the bacteriologist test, as quoted by Wood \$495 worth of Listerine has the antiseptic action of one cent's worth of corrosive sublimate" July 4, 1925.

Unfortunately, there is no Consumer Research group in Canada as there is in the United States of America and Great Britain. It is no place to go into the problem at this time; however, the members of the organization are cognizant of the fact that Canada has the Acts on her Statute books, but the provinces have no enabling acts to protect the consumer from the fraudulent goods sold to them as first-rate goods.

However, we can be sure of one thing. In the economic sense, a high standard of living is nothing more or less than the consumption of much wealth.

Standards of Living

A standard of living may refer to a bare minimum of requirements for life, a "subsistence" standard. It may be a "living" standard based on the economic status of people of a given income group, or it may be an ideal standard that can perhaps be attained at some future date, if all goes well. Whatever one's interpretation of the term, any standard of living contains these four component parts:

1. The goods consumed in a given period by the person or persons concerned.
2. The personal services of others, utilized by those concerned in the same period.
3. The amount of leisure available in which to enjoy the consumption of goods, the utilization of personal services, and the pursuit of the cultural arts.
4. The energy drain of the labour performed in order to secure the above items.

Consumers may enjoy a certain degree of freedom of choice as to articles they wish to buy. The following chart shows about the way the average wage-earner's wages are spent to maintain his living on this earth:

PERCENTAGE PROGRAM OF FOUR PERSONS

	Per cent
Food	30
Shelter (Rent; or, if house is owned, taxes, interest on mortgage, repairs, upkeep)	25
Clothing	13
Operating expenses (Heat, light, laundry, telephone, household supplies, replacement of equipment)	7
Life insurance	7
Development (Medical supplies, education, church, charity, gifts, vacations, entertaining, books, music)	10
Unforeseen expenditures	8
	<hr/> 100

Questions regarding the standard and cost of living of any particular population group are constantly occurring under a variety of circumstances, and the answers are not always forthcoming because of the difficulties inherent in

establishing the standard, ascertaining its cost, and keeping both standard and cost up to date.

The material in this bulletin (Quantity Budgets) is the result of an effort to set up a technique for determining the cost of maintaining an adequate standard of living at the lowest economic level, and to establish quantity estimates of goods and services necessary to maintain that standard, on the basis of which costs at an identical standard in different localities may be compared. Because of the economic situation prevailing during the period within which this budget was constructed, an attempt was also made to ascertain how cuts below this basic maintenance standard may be made under emergency conditions, with least harm to individuals and the social group. While the approach to this study has necessarily been from the standpoint of relief, the resulting budgets are applicable generally, with little or no modification, to low-cost living in urban areas, and should be of service in any field where information of this nature is required.

All of which is respectfully submitted by the Committee elected to make this survey.

(Signed) L. Hodgins,

Colin H. Turnbull,
H. Hayes,
W. Shaw,
R. J. Rose.

A SUBMISSION TO THE INQUIRY BEING CONDUCTED BY THE NATIONAL WAR LABOUR BOARD AT OTTAWA, CANADA, BY D. S. TAIT, PRESIDENT OF PRIVATEER MINE, LIMITED, 602 STOCK EXCHANGE BUILDING, VANCOUVER, B.C., JUNE 2, 1943.

To the Chairman and Members of the
National War Labour Board:

The briefs presented before this inquiry by the various manufacturing, industrial and mining associations of the country have dealt with the subject matter of the inquiry largely from the point of view of the employer, and of the effect of the proposed legislation upon Canadian industry. In this brief we discuss the matter (1) from the point of view of the nation as a whole; (2) as it affects the protection, independence and well-being of Canadian labour; and, (3) as it affects the members of the Canadian Armed Forces and their return to their proper place in civil life at the conclusion of the war. Each of these phases is at least as important as the effect of the proposals upon industry, and we submit that considering the matter from each and all of these points of view the proposed legislation should not be passed.

The National Point of View

In considering the proposed legislation from the national point of view we shall show that the propaganda and publicity in favour of legislation of the character in question in this investigation and similar legislation which has recently been passed by the legislatures of the Provinces of British Columbia and Ontario, have been largely inspired and directed by the International Labour Unions, and principally by the C.I.O., and that the C.I.O. is the only labour organization which is known to be ready with a campaign to take advantage of the legislation and to impose its rule upon Canadian labour and industry.

1. (a) Our principal submission under the head of the national interest is that Canada cannot afford to take steps which will result in placing the

control of Canadian labour in the hands of foreign organizations. The control and direction of labour is one of the most important functions of the nation. Labour occupies an increasingly important position in the economy and destiny of our country and he who controls the action of labour can have a very great effect upon the policies and destiny of Canada. On the face of it it is wrong that this great function of the life of Canada should be placed in the hands of foreigners. There would not be a moment's question about it if Germany, Italy, Japan or any other nation were found seeking control of Canadian labour. Steps would be taken to end it immediately; and, while the United States of America is a friendly nation, it must be borne in mind that it is not that nation which would be controlling Canadian labour, but individuals, not responsible in any way to the government of the United States or to the government of Canada; whose primary interests are not Canadian and many of whom have openly avowed sentiments hostile to our British institutions and our democratic way of life.

Considering the matter in that plain and simple light it seems unthinkable that we should permit, let alone encourage, Canadian labour being organized, directed and largely educated by such persons and organizations. Is it consistent with the welfare of Canada that Canadian industry may stop or go according to the dictates of labour leaders who are neither Canadian nor British subjects, operating from a foreign country? It is not too much to say that it is a matter affecting the economic independence of Canada to permit control of Canadian labour to pass into the hands of the great American labour organizations; and it could easily threaten the political independence of our country or our democratic and parliamentary institutions.

1. (b) There is a grave danger that in the near future the passing of the control of Canadian labour into the hands of the C.I.O. and the labour unrest and agitation which will attend the efforts of the C.I.O. to control Canadian labour which efforts are now following and will increasingly follow the passing of this legislation, may greatly upset and harm the Canadian war effort; and

1. (c) As we shall point out later, it is certain to hamper and obstruct the reconstruction that must take place after the war with the return of our Armed Forces to Canada, and their absorption into civil life, which reconstruction will be an even more difficult matter for the government to handle than the carrying on of the war.

1. (a) *Who has worked and agitated for this proposed legislation, and who stands to benefit by it?*

It is clear that in Canada to-day the C.I.O. organizers have their plans laid and their organization ready and are prepared and poised to take action immediately on the passing of the proposed legislation; and it has not become apparent that any other organization is so prepared.

The situation seems to be precisely similar to what it was in the United States following the first election of President Roosevelt and the passage of the Wagner Act. Then immediately the C.I.O. sprang into action in a blitzkrieg campaign to control labour in all American industry. At the time, the United States was launching a great effort, at tremendous expense to the nation, to take American business, industry and agriculture out of the terrific depression into which the nation had fallen, and was spending money at an absolutely unprecedented rate in the effort to create prosperity. It is beyond question that this great effort of the New Deal was very largely hampered and sabotaged by the tremendous outbreak of strikes, picketing, agitation and industrial disorganization which was engineered and put in force at that time by the C.I.O.

Similarly the C.I.O. appears to be determined to take advantage of our war situation to establish itself firmly in control of Canadian labour, and in doing that to endeavour to demonstrate to Canadian labour that it can attain wage advances and other benefits for them.

The strength of the C.I.O. publicity campaign has perhaps been most apparent in British Columbia. It has been carried on intensively by means of C.I.O. trade union journals circulated among the workmen in British Columbia everywhere; by a newspaper and publicity campaign which has been cleverly managed, with the able assistance of the C.C.F. The C.I.O. through its International Woodworkers of America has maintained an ably conducted weekly radio program, maintaining propaganda directed throughout all of the province.

C.I.O. leadership, as will be shown, is predominantly Communist, and the C.I.O. unions are largely political and revolutionary forces directed from outside Canada and engaged in a steady attack on our Canadian democracy, our British institutions and form of government.

Therefore the propaganda setting which has led up to the demand for this proposed legislation has largely originated with the C.I.O. and the designed purpose and the possible result of it will be to establish the C.I.O. as a dominating and governing factor in Canadian organized labour.

In its propaganda and in the general discussion regarding this legislation the purpose of this drive is cloaked behind certain specious phrases, which sound reasonable and impressive but which have very little meaning. The key phrase or shibboleth is "collective bargaining" and this legislation is cloaked in the form of facilitating collective bargaining.

It is advisable for a moment to consider and debunk this high-sounding phrase. In the way in which it is used and advanced it is meaningless and almost nonsensical. All bargaining between employer and employees, whether in respect of wages, hours, or working conditions, is always collective bargaining, and in the very nature of it cannot be anything else. Whenever any group presents to an industry a demand for higher wages, shorter hours, or better working conditions, such wages, hours and working conditions necessarily apply to all persons in the crafts or industries affected by such proposals, because necessarily the employer has a certain rate of pay for a certain class of work; the reduction of daily hours must apply to all employees; and improvement of working conditions benefits all. Most probably the benefit of a change in wages, hours, etc., will affect not only the particular plant but all plants engaged in similar industry throughout the area, for the reason that any employer who desires to retain his skilled workmen and keep his crew contented must pay wages equal to those paid by another employer within the area.

Therefore it is clear that by whatever group conducted, all bargaining between employer and employee in respect of wages, hours or working conditions is necessarily collective bargaining, and it does not differ in the slightest degree whether it is conducted by the C.I.O. or any other international union, by a national union or by a local union. The real matter, and the only matter which will be affected by the proposed legislation is who shall be installed and recognized as the bargaining agent; and legislation of the Provinces of British Columbia and Ontario and the legislation under discussion here are weighted in favour of the militant international unions to such an extent as to practically ensure ultimate control of Canadian labour by such international unions.

Going a step further, it should be pointed out that not only was the agitation for the legislation worked up by the C.I.O. but that the British Columbia Act, at least, was drafted and presented to the Minister of Labour by that group. The passage of the Act was followed within a week by quick action by the C.I.O. against some of the principal operations in British Columbia, including Granby and the Consolidated Mining & Smelting Co.

American Labour Leadership

In considering the advisability of legislation which tends to throw control of Canadian labour into the hands of American organizations we should consider the records of such organizations.

The record of American labour leadership is bad and bad to a degree of which very few people in Canada have the slightest conception.

Volumes have been filled with the record of arbitrary, tyrannical, corrupt and vicious rule of American labour unions; but no one has had any interest in the circulation of these books or in keeping these facts before the public; and they have been buried and obscured by the constant stream of propaganda issued by and on behalf of the union bosses, officers and organizers. But the facts are available to every student of labour affairs; and now and again the more ugly incidents force themselves on the attention of the general public.

Undeniable history, taken from the records and findings of courts of law, Congressional investigations, records of investigations by committees appointed by state legislatures, and other unimpeachable sources show beyond question that the most unconscionable racketeering in and tyranny over labour, betrayal of labour, and the use of labour unions to practise extortion and tyranny upon outsiders, was and continues to be widespread throughout the United States; that it embraced many large and powerful unions; that it invaded nearly all of the principal cities of the United States and thousands of smaller places; that it involved union membership amounting to tens of millions of men who were so tyrannized over, robbed and betrayed; and also many millions of other hard-working people who were forced to pay tribute to the dominant labour leaders for the right to carry on their business and dispose of their produce.

But the point which is not realized except by the occasional student of the record is that, with practically no exception, these abuses were carried on, and are still carried on, within the framework of organized labour, and retained their charters and standing within either the A.F. of L. or the great unions assembled under the banner of C.I.O.; and there is hardly one recorded instance in which appeals to the leaders of those organizations resulted in action for the relief of the robbed, abused or betrayed locals or their members; but there are numbers of cases in which locals making such appeals had their charters cancelled and new unions under the command of the same corrupt leaders set up in their place.

The next point for attention is that although widespread abuses, of a type utterly shocking to all common ideas of justice, have been clearly exposed by public investigations as above mentioned, the heads of the great American labour organizations have resolutely, and, until recent months, unsuccessfully opposed every suggestion of legislation designed to protect American workmen generally, and union members, against the corrupt and despotic rule to which they were so generally subjected. An example of this attitude is shown by a brief extract from the testimony of Samuel Gompers, then undisputed leader of American labour, given before the Lockwood Committee appointed by the legislature of the state of New York, which exposed the most scandalous corruption and oppression in New York unions—which follows:

- Q. Take a case in which the officers steal the funds of the Union, and there are no books to show, and no way of proving that they steal, don't you think that the legislature should regulate those associations to the extent of requiring that they should keep books of accounts of their receipts and expenditures in the interest of common honesty?
- A. I think that the legislature should not interfere in the matter at all, regrettable as the conditions may be.
- Q. When they do a confessedly wrong thing, an oppressive thing, a vicious thing, to their own people, don't you think that the law should step in and grant relief?
- A. No. sir.

In the record generally it might appear that the A.F. of L. has harboured more corruption; the C.I.O. on the other hand is much more militant and arbitrary in its domination of labour.

In the organization period which followed the Wagner Act in the United States, the C.I.O. backed as it was by the Secretary of Labor and the National Labor Relations Board, paid not the slightest attention to the actual wishes of the workers in the great steel plants and automobile plants and other industries, which they sought to and succeeded in "organizing." The procedure simply was that so many thousand men marched in on a plant and with the assistance of whatever fraction of the employees might be favourable to them, surrounded it with violent picketing, and forced union contracts and in most cases the closed shop on the industry.

How violent these methods were was shown in the fact that when the C.I.O. had finished with adjoining states and reached the state of Indiana, the governor of that state called out the state militia and stopped at the boundary of the state a force of 30,000 armed men who were marching in to "organize" industry in that state.

The I.U.M.M.S.W.

One of the organizations which has been most prompt to take advantage of the new British Columbia legislation and which will be a principal beneficiary of such legislation is the International Union of Mine, Mill and Smelter Workers, an American organization having its head office at Denver, Colorado.

We deal particularly with this Union as being typical of C.I.O. organizations and because we are more familiar with its constitution and procedure than with that of some of the other unions comprising the C.I.O.

It is one of the members of the Committee for Industrial Organization which is frankly and definitely communist in its organization and control. The preamble to its constitution is as follows:

1. We hold that there is a class struggle in Society, and that this struggle is caused by economic conditions.
2. We affirm the economic condition of the producer to be that he is exploited of the wealth which he produces, being allowed to retain barely sufficient for his elementary necessities.
3. We hold that the class struggle will continue until the producer is recognized as the sole master of his product.
4. We assert that the working class, and it alone, can and must achieve its own emancipation.
5. We hold that an industrial union and the concerted political action of all wage workers is the only method of attaining this end.
6. An injury to one is an injury to all.
7. Therefore, we, the wage workers employed in and around the mines, mills and smelters, tunnels, open pits, open cuts and dredges, of the Western Hemisphere, unite under the following Constitution.

By Article 1, Section 3, of its Constitution it states:

The jurisdiction of the International Union of Mine, Mill and Smelter Workers shall cover the United States, its territories, and the entire Western Hemisphere.

This is a large claim to put forward but this Union has done its best to justify the claimed jurisdiction by endeavouring over a number of years past to obtain control of Canadian mines.

These efforts of the I.U.M.M.S.W. have up till now been consistently and successfully opposed by the Canadian Mining Industry; and it is necessary to state here that in opposing the entry of these organizations into the Canadian mining field, Canadian mine management has not been acting solely from the point of view of the efficient and unhampered conduct of its mining operations.

Generally speaking, the management of Canadian mines comprises as intelligent, high-class and patriotic citizens of Canada as can be found anywhere in the country. They have been closely in touch and well-informed regarding the conduct of this organization and its dealings with American mine labour and the American mining industry. As Canadian citizens they have rightly and properly felt that this foreign organization had no right to attempt to obtain control of Canadian mine labour and that it was a duty, not only to the shareholders of the companies for which they worked, but to their employees and to the country, to oppose the attempts of this foreign organization to obtain control of labour in the Canadian mining industry.

It is difficult to see any sound reason for legislation such as has been recently passed in British Columbia and Ontario, the only obvious end of which is to facilitate control of Canadian labour by C.I.O. In view of the very weighty objections to it, a strong and urgent reason would have to be advanced in its support. So far the writer has heard none of any apparent validity.

It has been suggested that by passing this legislation and permitting organization for "collective bargaining" it would contribute toward industrial peace and harmony, and let us get on more successfully with the business of the war. In view of the fact that it is designed to give greater opportunity and leverage to ambitious labour leaders from abroad who have been striving for years to gain control of Canadian labour, and who are clearly intent on taking advantage of wartime conditions to establish themselves in full control, that argument would seem amusing if the matter were not so very serious.

Such an "appeasement" of these labour leaders seems as futile and stupid as the appeasement of Munich now appears to us. The legislation is both assistance and encouragement to these leaders; and in B.C. at least the campaign to take full advantage of it is already well under way.

The Profit Motive in Labour Organization

It must be borne in mind that the organization of labour had become big business and highly profitable business for labour organizers; and that the domination of new fields in labour organizations is greatly sought by these large organizations; and the competition in it is just as keen or even keener than competition between manufacturers and industries for control of markets. The motive behind it is predominantly the profit motive, and as we have seen, there is frequently less regard for the employees who are the subjects of this traffic than a manufacturer would have for the ore, the steel, the wood or the wool which is the raw material of his manufacture. Control of labour is big business. There is big money in it; and with and beyond that there is tremendous power and influence gained by those who obtain the domination of great bodies of labour. In consequence of this there must at all times be a clear distinction drawn between the desires and wishes of Canadian labour,—that is the general mass of the working men,—and the desires and wishes of labour organizers and leaders who at all times purport and claim to speak for employees.

The Reaction in the United States to the Operations of the C.I.O.

We have pointed out above that the organizing campaign of the C.I.O. and the turmoil in which it held American industry over a period of years did a great deal toward sabotaging the efforts of the New Deal to put America back on a basis of prosperity and greatly retarded that prosperity. More recently the great bulk of the strikes and dislocations in industry which have retarded and weakened the American war effort have taken place in C.I.O.-dominated plants, and under the United Mine Workers of America controlled by John L. Lewis, the prime mover in the big C.I.O. drive for domination of American labour.

The opinion is constantly growing in the U.S. that in passing the Wagner Act and building up the C.I.O., America has created something of a Frankenstein monster which must somehow be dealt with; and agitation in Congress for the passing of legislation to control these heretofore uncontrolled labour czars has been steadily rising. It is clear that if it had not been for the personal influence of President Roosevelt being exerted against it, legislation would long ago have been introduced into Congress for that purpose. It may further be pointed out that very much of the waning popularity of President Roosevelt and of the growth of anti-New Deal sentiment has been caused by the resentment of the great mass of the people at the ever-recurring interruption to the normal conduct of American industry and to the war effort by ceaseless labour agitation and ever-recurring strikes.

While Congress has as yet taken no action, legislation has recently been passed in six states of the American Union to curb and control American labour leaders and to safeguard to some extent the rights of the American employee as against its autocratic leaders. At this point it is to be noted that following the passage of this legislation, William F. Green, head of the A.F. of L., has come out with a flat declaration that the Federation would disregard any such laws, in other words, asserting the claim that American labour organizations are above the laws of their country.

It is a very singular thing that at a time when the course of action of the great American labour organizations—C.I.O. particularly—have set public opinion in the United States strongly against them, and forced legislation to curb the unbridled exercise of the power of their leaders, that legislatures in Canada should be passing legislation designed to render Canadian industry helpless to oppose the march of these same organizations and to deliver Canadian labour into their control. On the face of it it seems unwise and ill considered, the more so when it is remembered that as far as Canada is concerned the organizations in question are foreign organizations and their leaders beyond the jurisdiction or control of the people or government of Canada.

Has International Control of Canadian Labour been good for the Canadian Workman?

In order to justify any action designed to result in, or which results in giving the American labour bosses increased control of Canadian labour, it must surely be shown that such action is beneficial to Canadian labour. The briefest consideration will show that such is not the case. We have only to note that of all the dominions of the British Empire, Canada is by much the most backward in the organization of its labour, in the unity of labour, and in the place and standing of labour in the nation. There is simply no comparison between the standing of the great British labour unions and the British Labour Party and the standing of labour in Canada. Equally, labour stands in a far stronger and vastly better position in New Zealand, Australia and South Africa than it does in Canada. The answer plainly is that Canadian labour has been largely in the hands of American organizers and organizations and as far as they were concerned Canada was simply the small end of their business and a means of some additional profit. None of the heads of American labour were Canadian or interested in the business or destiny of Canada or the welfare of Canadian labour.

On the other hand, the constant presence and influence of the international unions has continually interfered with and broken up or prevented the greater progress of the genuine Canadian unions. They have always been the underdogs, and the labouring man, while, we believe, disposed to favourably regard control of Canadian labour affairs by Canadians, has always had the fear that if he takes a prominent part in organizations opposed to the great international unions, he might thereby be placing himself in a bad position. Actually no

greater benefit could be conferred upon Canadian labour than legislation which would end altogether the control of Canadian labour leaders from the outside and permit it to stand on its own feet and complete its own organization. Unquestionably if that were done, in a very few years Canadian labour would be in a very much stronger position, and government and industry both could have greater confidence in dealing with it; because it would be purely Canadian and would be acting with true and sole regard to the interests of Canadian labour; and could be expected to have reasonable regard for the national welfare.

The Position of the Canadian Congress of Labour

The point may be taken in answer to this argument that the C.I.O. no longer controls labour unions in Canada, but that the same have become Canadian unions under the direction of the Canadian Congress of Labour. This point requires a little consideration. By the year 1939, the tactics of C.I.O. in the United States were winning considerable condemnation and in Canada operations by C.I.O. on Canadian industry were encountering very strong opposition. Apparently it was then decided that it would be putting a better aspect on C.I.O. activities as far as Canada was concerned to have it appear that the C.I.O. unions in Canada had been turned over to Canadian control and a deal was made under which the All Canada Congress of Labour, as the C.C.L. was then known, purported to accept all C.I.O. Canadian unions and the constitution was changed accordingly at the Toronto Convention in September, and the name was changed to Canadian Congress of Labour.

It seemed a very strange thing at the time that the C.I.O. Unions, after their strenuous struggle to obtain control of Canadian labour should have voluntarily abandoned the field; but the deal has been completely given away by recent events in Canada.

One of the first events which showed the matter up was the recent Kirkland Lake strike. In the early stages of this labour dispute, Mosher, the head of the Canadian Congress of Labour, claimed to speak for and represent the Kirkland Lake workers, and the dispute was held up as a Canadian affair under the direction of the C.C.L. Shortly, however, Mr. Reid Robinson, the President of the I.U.M.M.S.W. appeared on the scene and took personal charge of the strike and stated flatly that the I.U.M.M.S.W. was in charge of the strike.

The second illustration is the recent steelworkers strike which tied up so much valuable war production. Here the Canadian government did not bother dealing with the C.C.L. but dealt direct with Mr. Phillip Murray, President of the C.I.O., in the matter, and it therefore appeared that C.I.O. was still in charge of the Canadian Steelworkers' Union.

A more recent illustration is the public statement of District No. 1 of the International Woodworkers of America appearing in the press of January 26, 1943, dealing with the suspension pronounced by the Canadian Congress of Labour. The I.W.A. in this statement said:

In the meantime suspension of the I.W.A. District will not affect our union's charter or funds, and in no way interfere with its normal functions, as we are chartered and affiliated to the International Woodworkers of America, with headquarters in Portland, Oregon, which is in turn affiliated with the C.I.O.

Therefore it is clear that the three most important C.I.O. unions in Canada which were claimed to have been "accepted" by the C.C.L. have in fact not changed their spots or their allegiance at all and remain within and under the control and direction of the C.I.O.

1 (b) *The War Effort—Is this Legislation likely to hamper it?*

We submit that the probability is that this legislation will be detrimental to the war effort. This appears obvious from the fact that it opens the way for and invites efforts to commence a new organization of labour in wartime by interests outside of Canada, and they have shown themselves active and eager to take advantage of this opportunity.

Unquestionably having worked so hard to open up the opportunity C.I.O. will do its utmost to take advantage of it. That means a large campaign to control particularly every mine and every lumbering operation in Canada, and all of the war industries in which large new groups of labour have been banded together.

The international unions having organized the employees, will be bound, according to their regular practice, to endeavour to show that they have obtained some new benefits for the employees. This is the regular procedure of the labour organizer to gain greater control over the members of the organized union and attract more members and frequently to divert the attention of the members from the disadvantages of surrendering their own autonomy and control to the dictates of the labour organizers. There will be delays and discussions, threats of strikes, demands for rest periods and other benefits, probably many strikes and if there is dissatisfaction with the failure of industry or of the government to meet the demands so set up, there will be inevitable slow-downs of work.

The direct encouragement to C.I.O. in wartime therefore cannot be for the benefit of the war effort. Moreover it is undertaken at a time when all that is best and most patriotic in our nation, our eager and gallant youth, is overseas, and these C.I.O. organizations will tend to establish in industry the utmost benefit and first priority for the stay-at-homes, as against the members of the Armed Forces.

1 (c). *Reconstruction after the War*

After this war is over will probably come the most difficult period that any Canadian government has ever faced. The number of divisions maintained in this war as compared with the last war, the tremendous expansion of the Air Forces, and the large number of men in the almost new Canadian Navy, means that the problems of repatriation of the members of the Armed Forces and their restoration to their proper place in the economy of the country where they must earn a livelihood for themselves and their families is going to be most difficult.

The government of course expects that the greater percentage of these men will be looked after by being given their old places in the various vocations of life which they left to join the Armed Forces, which is the least justice that can be shown to these men who have stepped into the front rank and performed the greatest service and suffered most in the cause of freedom.

With this in mind, the government has made it an absolute requirement that employers shall find places for these former employees at the conclusion of the war, and all employers have practically pledged themselves to do so. By the current legislation, however, the governments of B.C. and Ontario are compelling, and it is proposed that the government of Canada should join in compelling, the employers to accept organization of their industry by the aggressive international unions and have made it permissible for these unions to negotiate closed shop contracts, and the closed shop is undoubtedly the principal objective of the union organizations which have pressed for this legislation. Already in the comparatively few days which have elapsed since the passing of the British Columbia Act, the labour leaders, emboldened by their success, have presented to the Vancouver City Council a demand for the closed shop; also a strike of the Boilermakers' Union is threatened with the closed shop as the whole issue.

The result may be that no matter how fixed is the intention of the government to reinstate the members of the Armed Forces in their jobs at the end of the war, or how great may be the goodwill of the employer toward carrying out that purpose, the returned man, the government and the employer may be met at the threshold by union leaders who are in complete command of the situation, who can say to all of them, "No, you do not employ this man without our consent and you do not discharge any of your present full staff to make room for this returned man." There is every possibility that in accordance with union organization and practice an initiation fee for entrance into the union may be fixed and that this fee may be an amount that would be a serious obstacle to the returned man or might even prohibit him from buying back his job.

These are not fantastic ideas—they are real actual possibilities. It may be said that the government can deal with the situation when it arises. That may be so, if the Dominion Government has jurisdiction as against the Provincial Governments in these labour matters; but it would seem foolish for the Government to take action to place these foreign organizations in command of the situation at this time and have to contemplate a possible fight with organized labour, already in command of the situation, when the returned men are flooding back into the country. It would be almost certain to create bad blood between union labour and the returned men and might possibly lead to violence and rioting such as arose in consequence of a similar situation in Winnipeg after the last war.

We submit therefore that it is folly and a very serious injustice to the members of the Armed Forces for the Government to pass legislation which would ensure organization of industry by foreign labour organizations and probably remove and destroy the initiative of the employer in carrying out his undertaking and the burden which is upon him of doing justice to the returned men and reinstating them in their jobs at the end of the war.

The logical retort to the argument is that the employer should not place himself in that position, but the ugly fact is that the Government by this legislation has disarmed the employer and prevented him altogether from resisting the march of the C.I.O. into his organization and left him helpless to resist. Under those circumstances the logical and sensible course for the employer would seem to be to do as Henry Ford did when he was finally beaten by the pressure put upon him by the C.I.O. and the National Labour Relations Board under the Wagner Act, and accept the demands of the Union wholeheartedly, closed shop and all, and make the best terms that can be made for the full operation of his plant. Undoubtedly, of course, Ford, in that position, is denied the possibility of doing what he undoubtedly would wish to do at the conclusion of the war, namely, re-employ all of his employees who offered themselves for the great sacrifice and joined the Armed Forces. Now the matter is out of Ford's hands altogether. The returned men must deal with the union boss who dominates the closed shop union and who is responsible to no one on earth, as labour legislation in the United States and also in Canada, now stands.

The Effect of this Legislation upon Canadian Labour

The first effect of the legislation upon Canadian labour is that it is going to be organized principally under the C.I.O. whether it wishes to be so organized or not, just as happened in the United States after the passage of the Wagner Act. Possibly the legislators who passed or contemplate passing this type of legislation absolutely overlook the important truth that when they completely disarm the employer and prevent him from acting in conjunction with his loyal employees to resist attempted control of the industry by the invading unions, they at the same time disarm the employees and render them practically powerless to resist.

It must be remembered that in such a case, the individual employee, approached by a trained and skilful labour organizer and urged to take a union card, will find it very difficult to resist the importunity. Tremendous moral pressure is put upon the worker by the suggestion that he may be a scab and that he is acting against organized labour. The union works through key men planted among the employees, who get hold of the men individually in bunk-houses, beer parlours and other meeting places, and bring persuasive argument and pressure upon the individual to sign up. It is particularly easy at the present time because a large percentage of the employees of each industry are away with the Armed Forces and that includes all of the younger men who had been trained in that industry and who appreciate all of the good points there may be to their existing organizations. With wartime expansion in the industry it is probable that upwards of fifty per cent of the employees may be new men. Probably a very considerable percentage of them planted men. This goes a long way to explain the relative speed and ease with which the I.U.M.M.S.W. signed up a majority of the men at Granby and the much more surprising signing up of a majority of the employees of the Consolidated Mining & Smelting Company at Trail and Kimberley.

Then too the passage of the Act tying the hands of the employers has furnished the organizers with an argument, which has been largely used, that the Government is behind the International Union, and has passed the legislation to assist its campaign and the employee had better get on the band wagon while the going is good. The legislation itself has accordingly made the way of the union organizer easy, and has stacked the cards very much in favour of C.I.O.

The next point is that the employee has nothing whatever to say about the constitution of the union which he joins, the terms to which he subscribes in joining it, the powers which it gives to union heads over him and his fellows. He simply signs an application and accepts a card in a union local which has been previously formed and in existence, and is governed by the general By-laws.

For example, under the constitution of the I.U.M.M.S.W. every worker is immediately bound to pay dues of \$1.50 per month and without any consent on his part, under the established constitution, a major portion of this is immediately sent out of the country to the heads of the international union.

Under the constitution of most of these unions, the worker has practically no say in the conduct of the general business of the union. The direction of the union through the medium of resident vice-presidents, district officers or supervisors, union, walking delegates, etc., is downward from above instead of proceeding from the workers upward. Theoretically the union is controlled by the workers by a system of delegates to the district union and from there to the central government of the union. Actually union elections are very much supervised and directed from above and the drastic powers of dealing with individual local unions which in any way oppose the desires of the higher officials or of individuals within any local who show activity displeasing to the higher ups, are very drastic, and leave the worker no control whatever over the general policy or direction of the union.

This pyramidal type of organization, in which there is no general election for the government of the body similar to the British parliamentary elections, but a system of delegates from locals to district centres and from district centres on upwards to a central governing body, particularly when accompanied by supervision and direction proceeding downward from the central governing body, is perfectly designed to perpetuate the rule of those who have once attained control of the organization. It is a system of organization similar in a smaller way to the organization of a Communist Soviet Republic, and I think that it may be safely said that in all bodies so organized whether they be labour unions, fraternal benefit organizations or government formed on the

Communist plan, not one single case can be found where the action of aggrieved members of the locals or of the community, as the case may be, has ever succeeded in changing the central governing body. There may be cases of strife among the leaders, and dog eat dog, at the top, but no effective resistance of action to remedy conditions by the rank and file is possible.

The extreme degree of control over local unions which is claimed by the heads of these organizations is shown by the recent case of the Boilermakers' Unions of Vancouver, one of the stronger unions of Canada, having some fourteen thousand members. In this case an election of union officers was held under the auspices of the regular officers of the union. Apparently greatly to their surprise an unusual thing happened. A new slate of officers was nominated and was elected by a large majority. Immediately following the election, for no apparent reason other than that the higher ups did not like the election, Alex McAusland, who occupies the position of Vice-President of the C.C.L., declared the election void and set up a provisional body of his own appointing to govern the affairs of the union.

Other unions within the framework of the C.C.L. having expressed sympathy with the Boilermakers' Union, and criticism of the action of the said Vice-President of the C.C.L., were suspended or threatened with suspension merely for having dared to express such opinions.

It does not matter much what is the final outcome of this incident. It goes to show the arbitrary control which higher officials of these labour organizations claim to exercise over the locals and the fact that they need not even a shadow of legal justification for taking arbitrary action to suppress any sign of independence on the part of members of a local.

The power which the heads of the locals and higher officials of the unions claim to exercise and do exercise against the individual worker are even more drastic. Suspension of a member with drastic penalties before he is permitted to return, outright expulsion, and the taking away of the union card are commonplace; and under wide and vague provisions of the constitution may be exercised against him for any criticism in a union meeting or outside of the meeting of any of the officers of the union.

The Closed Shop

The closed shop is always the final objective of the International unions, and is put forward as one of their demands in practically every negotiation which they conduct. By means of the closed shop, or alternatively, by persuading employers to accept the union shop label, the union obtains complete control over employment within the industry, and it is contended that this is good and justifiable practice. It gives the union officials however an absolutely despotic power over the individual member. Practically the sole asset and capital which a workman possesses is the skill which he has acquired in his occupation by his years of service in that occupation, and to take away from him his right of working in the vocation to which he has been trained is to take away from him his entire means of livelihood. Accordingly the taking away of a member's union card is a drastic punishment comparable only with the severest penalties that are meted out to criminals under the Criminal Code.

In the case of a non-union man, once the closed shop principle is applied, his means of livelihood is ended at once. This opens the way to the fairly common practice of large initiation fees, greatly enriching the funds of the union officials or to provide graft in the way of bribes to the secretary of a union, to get a man put upon the union rolls.

This entire procedure is absolutely contrary to all British ideas of justice. As far back as Magna Charta and increasingly up through the ages British legislation has stood to safeguard every man against punishment either to his

person or by deprivation of his property or his rights as a British freeman, without a trial before the constituted courts and with a safeguard of a jury of his peers; but here is a punishment which deprives a workman of the most precious thing to him after his life and his family, namely, his right to earn his livelihood; and it may be exercised arbitrarily by men who are not responsible in any way for the act however wrongfully it may have been done.

The simple fact is that there is no law in the United States or in Canada, or, until recently, in any state of the United States, and none in any province of Canada, to protect the workman against the taking away from him of his entire means of livelihood and leaving himself and family to starve.

We now have legislation designed to compel the employer to bargain with unions and thereby in effect to place all his employees under the control of such unions whether they like it or not.

We have referred before to the objections which American labour leaders have always made to any legislation to protect the worker against injustice and oppression from arbitrary or corrupt union bosses. It seems impossible to conceive or formulate any argument to justify their attitude. But now that these same people have secured legislation to recognize them and assist them to wider power over a great percentage of the people of Canada, they no longer have any argument left. It must follow that parliament or legislature has the right and duty to regulate governing bodies which they have created.

Legislation which should be passed as a part of any legislation relating to Labour Union organization

We have noticed in some of the briefs, suggestions, which we approve, that there should be legislation to compel an accounting of union funds, etc.; but such provisions touch only the margin of the legislation that is needed to protect the Canadian worker in the free exercise of his rights as a Canadian worker and a union member. There is needed a Code of the Rights of Citizens in labour organizations. These rights would necessarily include:

1. The right to join whatever union controls the trade or profession in which he is skilled—and to join without paying an oppressive initiation fee.
2. The right to remain a member unless publicly convicted of wrongful conduct.
3. The right to have regular meetings of the union local.
4. The right to have regular elections of the officers of the local.
5. The right to have regular financial statements from its officers and to have the same scrutinized and reported upon by auditors chosen by the members of the local.
6. The right to freedom of speech, criticism and action within the union without punishment or penalty for free expression of his views.
7. The right to prevent the national union from destroying the self government of the local.
8. All of these rights should proceed upwards through the district councils to the supreme government of the union.

Such provisions are absolutely necessary to reasonably assure to the worker control of the unions which represent him and his fellows, and through which he is supposed to act and bargain collectively. They would bring union government measurably close to the principle of government of the members, by the members and for the members, instead of despotic government from above. They would possibly assist considerably in ultimately restoring to the Canadian worker control of his own business, instead of having it in the hands of foreign officers who are responsible neither to him and his fellows nor in any way to our country.

Right here is one of the principal objections to the international union. Parliament may, and we hope will, pass legislation such as is outlined above to safeguard the protection of the locals and control by the workers upward to the governing bodies of the unions; but in the case of international unions direct or complete control by the Canadian worker can never reach up to have any effect upon the central governing body.

The extreme attitude has been taken by the heads of American labour to date, that the government of the country, representing the people as a whole, must not interfere in any way to protect labour or to see that the constitutions under which labour is governed are fair and just. The people of Canada through their parliament and government have never hesitated to regulate any organization or phase of life where it was apparent that injustice prevailed and protection of the industry was necessary. Thus the action of business is regulated. The affairs of companies are regulated to ensure the fair treatment of shareholders. Banking is regulated under the strictest provisions for the protection of the public. Municipal government is regulated with strict audit and other provisions for the protection of the people of the municipality.

Labour unions are in no sense comparable to fraternal organizations or religious organizations which assume no control over a man's livelihood or the conduct of his daily life and which everyone may enter and leave as they please. They presume to interfere with, regulate and direct the very means of a man's livelihood, and they presume to exercise important controls over the entire commerce and business of the country.

Therefore, without in any way interfering with their freedom of action, parliament has every right to regulate them to the extent of seeing that they are truly run by and on behalf of the workers whose welfare and protection is their sole concern and the sole reason for their existence. Labour leaders who assume to be the voice of labour under the present setup will raise the greatest outcry against any such legislation, but the rank and file of labour will certainly approve and support such legislation as soon as its purport is made clear to them.

The Effect of this Legislation on the Members of the Armed Forces Abroad

The point has been fairly dealt with above under another heading. In general terms it seems inexpedient and unjust that legislation affecting the industries and jobs that they left to serve and defend their country should be passed without consulting them in their absence. We have pointed out above that such legislation may easily result in a widespread increase of the closed shop, governed of course by men who have never made the sacrifice which these men who have gone overseas have made, who have stayed at home in fat organizers' jobs, built and expanded their own influence and power under pressure of war conditions, and generally taken the utmost advantage that they could of the circumstances. These men may stand at the threshold when the Armed Forces are disbanded and returned soldiers seek to re-enter into their former places, and say, "No, you do not enter except with my consent." They may say, "This place is occupied and the persons occupying it are members of our organization and under our protection. You do not enter at all," and they may hold out their hands either for a big initiation fee or for a private bribe and say, "Pay me first."

Whether the position which may be attained by the labour leaders with the assistance of this legislation is as favourable to them as is suggested above or not; and whether they are able to absolutely close the door in the face of the returned service man or not; it is quite certain that if with the assistance of this proposed legislation the international unions obtain control of the situation, the position of the returned man at the end of the war must be altered to his disadvantage and the position of both government and the employer who are pledged to return him to his job will be prejudiced and deteriorated.

CALGARY TRADES AND LABOUR COUNCIL

National War Labour Board,
Ottawa, Ontario.

SIRS,—The Calgary Trades and Labour Council at their regular meeting held last evening have again gone on record as protesting the present labour representation on the Regional War Labour Board of Alberta and request that a change of these representatives be made at the earliest possible date.

This dissatisfaction in the operations of our Regional Board are not without reason. In a brief presented to your Board some short time ago we recommended a change be made in the labour personnel, we again make this recommendation, in fact we, on behalf of the working people of our district, organized and unorganized, insist that some action be taken to rectify the many discriminating decisions that have been handed down by our Board.

Let us quote for your information three of the most outstanding recent decisions of this Board.

Early last fall the International Molders and Foundry Workers Union on behalf of their members employed in the Riverside Iron Works Limited made application for certain wage increases. Prior to this the company had applied for permission to pay a tonnage bonus based on incentive. This application was not a "joint application" in that the employees were not in favour of the proposed plan. The Board however approved of the plan and it was instituted. When the employees through their Union made their application they requested the abolishing of the incentive bonus and requested a wage increase comparable to that being paid in comparable industry. This application was refused completely. In this application some employees were only receiving 40 cents per hour, a rate that at that time was lower than common labour in this district.

Through constant pressure of the Union this case was reopened by the Regional Board on April 5th of this year and representatives of the Union had the opportunity of appearing before the Board and giving a verbal version of their requests. They at that time were able to show the Board that higher rates did exist for their particular trade right within our own district. What happened? On April 30th the Regional War Labour Board again refused the application of the Union for wage increases.

Let us now place before you the story of the Calgary Rolling Mills. Incidentally this company is also a subsidiary of the Dominion Bridge Company as is the Riverside Iron Works.

After the completion recently of an agreement with the company, Rolling Mill Employees Local Union 23180 (American Federation of Labour) made application to the Regional Board for certain wage increases and also a ruling with respect to overtime for certain employees. The employees affected by the overtime were turn men, paid on a tonnage rate and who worked ten and eleven hours per day. Overtime was requested after the completion of the recognized eight-hour day.

From this application approval was given to an increase of 5 cents per hour for all semi-skilled employees but the overtime application was refused.

Now with respect to the Dairy Business in our city.

At the last sitting of the Regional Board in our city representatives of the International Teamsters & Chauffeurs Local Union 987 (Dairy Employees) appeared and outlined to the Board in a verbal report their program. Namely this called for a more uniform basis of wage rates and vacations for employees of the four main dairies in our city. A "joint application" was presented to the Board in two cases, and in the other two, the Union requested that the Regional Board make an award.

In the two joint applications the only point of contention was the length of vacation to be given employees. The Union requested 10 days and the companies requested six and seven respectively.

In the other two cases one dairy refused any wage increases and the other dairy stated that as far as wage increases through the Union was concerned they would not agree. These two dairies incidentally were doing everything in their power to break the Union. The Union requested in one case a few minor increases and in the other a straight 10 per cent increase for all employees.

In the case where minor increases were requested the employer at a later date made application to the Regional Board for increases far in excess of what the Union were requesting and also far in excess to what other dairies were paying or would be paying. This move was no doubt an attempt to discredit the Union.

Now let's see what the Regional Board did with these applications.

In the two "joint applications" they approved of the wage increases immediately. This was easy since the proposed rates brought the employees of these two dairies on a comparable basis with other dairies.

In connection with the vacation period however no such decision was possible. In the first case they approved of six days vacation. In the second case they approved of seven days vacation.

In the case where the Union requested a 10 per cent increase the Regional Board have notified the Union that since a Board of Arbitration decision is pending on union recognition their decision is being held in abeyance. Meantime the employer has increased all employees employed in the plant \$5 per month. The Union has never been notified if this increase was approved by the Regional Board and attempts on their part to secure this information to date has failed. In this particular case approval was given to a vacation period of eight days. The Board therefore felt they could approve of a vacation period but could not approve wages while an Arbitration Board was in progress. We question this decision strongly.

In the case where the Union requested minor increases and the employer at a later date requested approval of increases much in excess of the Union's proposal the Regional Board approved every increase proposed by the employer. This without a doubt was discrimination, in that the Regional Board through their actions discredited the Union in the face of their members. No vacation was approved in this case.

To sum this up we find four dairies operating in which the Union after many months of work had endeavoured to base wages and vacations on a comparable basis with the following results.

One dairy with six days vacation.

One dairy with seven days vacation.

One dairy with eight days vacation.

One dairy with NO VACATION.

Two dairies with their wage rates approved to bring them a comparable basis with the other two.

One dairy making an increase of \$5 per month to certain employees without the necessary approval of the Regional Board.

One dairy being given approval to their proposed wage rates applied for with only one idea in mind and that was to break the Union, and which now places them on a much higher basis than the other three dairies.

These dairies, we might mention, are all fairly similar in size, with approximately the same turnover in merchandise.

Gentlemen, do you therefore wonder why the workers protest?

Workers will continue to protest while we have a Regional War Labour Board with personnel thereon that is operating in the manner set out in the foregoing.

Conditions such as stated are certainly not conducive to an all-out war effort on the part of our workers. Nothing can create more ill feeling and disharmony than a Board on which the workers are represented by individuals that will

approve of conditions such as those mentioned above. We have protested on many occasions the procedure in which these Boards were established. We feel now that our protests were well founded. When personnel is required for a Board of such importance as the War Labour Boards the workers in the district in which the Board is to operate should have the right of nominating their own representatives.

In closing we therefore place our case squarely upon the shoulders of the National War Labour Board. We need a change in labour representation on the Regional War Labour Board of Alberta. We sincerely hope from the information placed before you in our recent brief and in this letter you will also recognize the necessity. Your Board are entrusted with a very important responsibility, you must receive guidance from the workers and you must heed the suggestions of the workers if you are to succeed. We hope and trust that our suggestion in this respect will be given consideration by your Board at an early date.

Yours truly,

(Sgd.) G. G. CUSHING,

Secretary-Treasurer,

Calgary Trades and Labour Council.

G. G. Cushing.

c.c. P. R. Bengough,

Acting President, Trades and Labour Congress of Canada,

Ottawa, Ontario.

CALGARY TRADES AND LABOUR COUNCIL

The Chairman and Members,
National War Labour Board,
Ottawa, Ontario.

Gentlemen:

On behalf of the affiliated membership of the Calgary Trades and Labour Council and the trade union movement of this district, permit us to express our appreciation of the decision of your Board in making inquiries into the existing policy of the Dominion government with respect to wage control.

Unfortunately this course was not followed prior to the enactment of what is known as "Canada's Wartime Wages Policy". Had this been so, we are of the opinion that a more constructive and concrete policy could have been enacted which would not entail the dissatisfaction and misunderstanding which to-day exists.

We as a Trades and Labour Council can of course only speak of the operations of the Regional War Labour Board of Alberta, which to date has been the Board dealing with applications from our affiliated trade unions. We should however first like to express our opinion on certain parts of the legislation upon which the policy of the government is based.

Constitution of Regional War Labour Boards

Let us first express our disappointment and dissatisfaction of the procedure used in selecting the personnel to represent labour on the Regional Boards. Efforts have been made continuously for the right selection of labour's representatives by the rank and file of the workers through their central councils in each respective province. The practice of appointing someone in Ottawa to represent a group of workers in a province or district many thousand miles from Ottawa has at no time met with satisfaction and should not have been the procedure when the Regional Board were established. This matter was

brought to the attention of our parent body, the Trades and Labour Congress of Canada at the Annual Convention held in the City of Winnipeg in August 1942, and we quote for your information a part of the resolution submitted at that time.

That we demand from the government of Canada that we be given a voice in the disposition of our labour force, by being placed in positions of trust on government boards, and boards of management in all industry connected with the present crisis and further be it resolved that we demand that when the government of Canada bring the above justifiable condition into being, that local labour unions or labour Councils shall be the body who shall say who will represent them on such councils or boards, and not members of governmental departments or so-called Labour leaders who happen to be enjoying the protection of the Government of Canada or any department of the Government of Canada.

The labour representatives on the Regional War Labour Board of Alberta have never met with the approval of labour as a whole in this province. We have no right of protest possibly in respect to Mr. D. Mathieson who was appointed after consultation with the United Mine Workers of America. We are however of the opinion that this appointment should also have been made from the personnel of the International Trade Union movement since 95 per cent of all the applications of the Regional Board of Alberta deals with conditions other than mining.

In the case of Mr. Thompson, labour representative, we ask for an immediate change. Mr. Thompson, as superintendent of the Dominion-Provincial Youth Training School in Edmonton is virtually an employee of the Dominion government and in our opinion is not well enough versed in present conditions of the workers in general to hold a position of such importance.

The following matters must also be taken into consideration as to our reasons for requesting a change in the labour representatives on the Alberta Board.

When the Alberta Board was first established, officials of our Council and the affiliated unions had the opportunity of meeting with the Board and we were informed at that time that all decisions of a Regional Board must be unanimous, otherwise the case in question was referred to the National Board. If this procedure still exists we find that representatives of labour in the province of Alberta are willing to refuse justified increases to the workers and through their actions are prepared to maintain wages at a depression level in this province. From the records of the National Board we are given to understand that Alberta has the highest percentage of refusals of any province in Canada.

When representatives of Labour are prepared to approve of a rate of 55 cents per hour for common labour on construction work yet be a party to refusing the same rate per hour for workers employed in steel mills and foundries where the responsibility and training of a workman must of necessity be on a higher degree, then we feel justified in requesting a change of labour representation on the Regional War Labour Board of Alberta.

Minimum Earnings

We are of the opinion that the Order in Council should be amended to insure more freedom to Regional Boards in granting approval to wage increases bringing the minimum hourly rate to 50 cents per hour and the minimum weekly rate to \$25 per week. This suggestion has also been recommended by our parent body the Trades and Labour Congress of Canada and we wholeheartedly endorse their suggestion.

Our Government up to the time the Order in Council was passed recognized the fact that a married man in Canada needed the sum of \$1,500 per year to

properly maintain a home, further allowance was made for each dependent child in that home. This fact was also borne out in the exemptions allowed on income tax at that time.

When in 1939 the Dominion Bureau of Statistics compiled the necessary information for a new cost of living index it was also found that from 1,439 families reporting their living costs the average was \$1,414 per year for the necessities of life and when miscellaneous costs were added the total was \$1,453 for an average family. This figure represents a weekly earning of \$28, yet under the present Order in Council no relief is given to workers earning less than this minimum wage. For increases to be secured these workers must also apply to the Regional War Labour Boards and secure approval of their application.

According to the survey taken in 1939 upon which the new index was compiled the average expenditure was divided as follows:

	Per cent	\$
Food	31.3	443 00 per year
Shelter	19.1	269 50 " "
Fuel and light	6.4	90 50 " "
Clothing	11.7	165 80 " "
Home furnishings	8.9	125 70 " "
Miscellaneous	22.6	319 40 " "

The last named group, miscellaneous, includes:

	Per cent	\$
Health	4.3	60 80 per year
Personal care	1.7	23 90 " "
Transportation	5.6	79 30 " "
Recreation	5.8	82 10 " "
Life insurance	5.2	73 30 " "

Other expenditures not directly represented in the index was \$40, thus making a total of \$1,453.90.

Compilation of Cost of Living Index

Many protests have been made on the way in which the cost of living index is compiled. These complaints we feel are justified. On reviewing the breakdown of the original schedule on which the cost of living index was based as quoted in the above schedule we find that clothing, home furnishings, personal care, health, transportation and recreation were taken into consideration, yet under the present system of compiling the cost of living index from month to month these items in our opinion are not taken into consideration since the prices quoted in the *Labour Gazette* each month for 69 cities in the Dominion do not include any of the above-named necessities. We note with satisfaction the announcement has been made recently that certain inspectors are to be appointed to check on the cost of living figures submitted to the Government each month.

Canadian Employment with American Employers

We wish to protest strongly the order issued barring Canadian from securing employment with American contractors doing work in Canada. This order although issued through the National Selective Service is no doubt the outcome of the Dominion government's policy in the stabilizing and controlling of wages. It is a well known fact that if the practice of American contractors had continued and Canadians were employed, the wage policy in our province and particularly in the northern portion would have collapsed. We do not think that the order barring Canadians from American employment should have been issued. We are of the opinion that American employers should have been classed as National employers, thereby enabling the National War Labour Board the right of supervising the wage policy in this respect.

Sliding Scales

We wish to reiterate the protest made to you by the Trades and Labour Congress of Canada in respect to the decision of the Regional Board of Alberta wherein a sliding scale of wages was approved for carpenters. This is without doubt a dangerous precedent and should be abolished.

On summing up the foregoing remarks, briefly we suggest the following:

1. A change of labour representatives in the Regional War Labour Board of Alberta with the opportunity being given to trade unions and labour councils in Alberta to nominate their own representatives.
2. Automatic approval of all applications made to the Regional Board where proposed increases are below a minimum of \$25 per week or 50 cents per hour.
3. Closer supervision of the compiling of cost of living index figures monthly.
4. That American employers be classed as "National Employers" and the order barring Canadian workmen being employed by American employers rescinded immediately.
5. The abolishing of the policy of approving "sliding scales" in the construction industry for journeymen tradesmen.

We trust the above submissions and suggestions of the Calgary Trades and Labour Council and affiliated Local Unions will be of assistance in the establishing of the future policy of the Dominion government and the National War Labour Board in respect to wage control and trust that before final decisions are made, labour will have the opportunity of studying your proposals and co-operating in the formulating of the policy.

J. C. WATSON, *President*,
G. G. CUSHING, *Secretary-Treasurer*,
Calgary Trades and Labour Council.

TWIN CITY LABOUR COUNCIL

Dear Sirs:

The Twin City Labour Council, representing 5,000 organized workers in 15 plants in Kitchener and Waterloo wishes to commend the Board for instituting a long overdue inquiry into wage conditions and labour conditions in Canada. According to newspaper announcements made by the Board regarding this inquiry the Board wishes to obtain information and opinions in order to make a report to the Minister of Labour along with recommendations for necessary legislation required to provide for a uniform program for wages and labour relations. With this in mind the Twin City Labour Council presents the following information which has to deal with labour relations and wages as we know them to exist in Kitchener and vicinity. Kitchener is known as the Industrial City having between 150 and 160 different industries, chief of which are: rubber, tires and tubes, boots and shoes, furniture, airplane parts, leather shoes, shirts, automobile equipment, buttons and many others too numerous to mention, in fact probably no other community in Canada of its size produces anywhere near the variety of goods turned out in Kitchener and Waterloo.

Just as truly as this community is known as the Industrial community, it is also known as a low-wage community. Even the highest paid industries, which are tires and tubes are much below those paid in Hamilton and Toronto which are only 38 and 75 miles distant, respectively, from Kitchener. As we go down the wage scale, we find conditions and wages that are almost unbelievably low especially when we consider the cost of living to-day. Some time ago, a member of our council had occasion to take up the cases of girls working in a shirt factory, with two years experience, who were working for 18 cents an hour.

Similar wages are certainly paid in some button and confectionary industries. Wages and conditions in the beam houses of the tannery are so low that men imported from Quebec refused to work long enough even to collect their pay and now they are suggesting that war prisoners be brought to work at these occupations.

While it is true that in Ontario there is a minimum wage act for girls, the act provides that only 80 per cent of girls must receive minimum wage. We found that in one large shirt factory that if one more girl had received less than the minimum wage the company would have been breaking the law, proving that the whole inclination of this management was to take the full advantage that the law allowed him. In another case, a man was working in a plant for thirty cents an hour and wanted to change to another place where he could earn forty-five cents an hour. Selective Service denied him the right to change and after this his wages were cut to twenty-five cents an hour.

One thing that has aggravated an already serious situation is the fact that most of the low paid workers are receiving only a sixty cent a week cost-of-living bonus, so that the inequalities perpetuated by the government wage ceiling, are made even worse by the great difference in the cost-of-living bonus paid to different workers. Many other instances could be pointed out to show what wage conditions are in the vicinity but we believe that the only way a clear picture can be had of conditions is for the Board to hold hearings in different localities throughout the country.

The natural method that workers use to better their conditions and to protect themselves is to organize into Trade Unions and bargain collectively. This right has been recognized by the Dominion Government in its various orders in council. Recently the Ontario Government has also put its stamp of approval on collective bargaining by passing a collective bargaining bill. The Kitchener City Council too is solidly behind collective bargaining, yet even though all our governments have indicated their belief in the right of workers to organize into Trade Unions we find industry attempting to deny workers this right.

Whenever workers attempt to establish a legitimate union, the companies try to prevent it by intimidation, discrimination, and by the organizing of company unions. We will give only two examples of many to indicate the type of anti-union campaign carried on by management.

The first is the case of the Kitchener plant of the Breithaupt Leather Company. When the workers asked our committee for assistance in organizing a union the company immediately attempted to start a company union. Workers, who had signed to become members of the company union, publicly repudiated it in favour of the legitimate union. The company then proceeded to post notices saying that they had intended to raise wages. Deferments of union members were cancelled, we believe at the request of company officials. Notices were posted that there would have to be curtailment of production and this in a war industry, and only four weeks later leather companies are asking for permission to have Italian prisoners of war brought here to work in local plants. Conditions were made so unbearable that from 15 to 20 union members were forced to quit their jobs. The president of the local, an experienced sole cutter which is one of the most highly skilled jobs in leather, was told that the only work they had for him was in the beam house. Mr. Toushan, another official of the union, who is advanced in years, was punished for his union activities by being changed to work detrimental to his health. Conditions at this plant have only been improved since the Department of Labour sent in their investigator, Mr. J. B. Nichol, who conducted a union vote which established the Fur and Leather Workers' Union as the collective bargaining agent for this plant.

At the present time, the Canadian Aircraft Association is carrying out organizational work in the Dominion Electrohome Industries' two plants. This

company's products are chiefly air plane equipment, which is sent to the Fleet Aircraft in Fort Erie. In these plants, the general manager, Mr. Carl Pollock has halted production in one department after another in order to make speeches to tell employees of the advisability of organizing a factory council or good service committee with which he would be willing to bargain collectively. He has even suggested that the company would be willing to pay the salary of a secretary.

Workers are being approached every day by foremen and other company officials asking them to sign up with the independent union. Individuals are taken into the office and talked to and in many cases granted wage increases, while others who have joined the legitimate union are still working at the same rate of pay they started for. We could give many other similar examples, notably the Sunshine Plant of Waterloo, but feel that this is sufficient to give the Board a picture of methods used by industrialists in this community to discourage Trade Unionism.

It is the desire, not only of this council, but of the workers it represents that we shall make the maximum contribution to the war effort: this we can prove by the successful Bond Contributions, the Kitchener Tank Fund, and the Blood Donors Clinic as well as the Red Cross contributions labour makes regularly. We feel, however, that even more could be accomplished if conditions such as we have pointed out were eliminated in the future. With this in mind, we make the following suggestions to the War Labour Board for their consideration:—

1. We recommend first the enactment of a Federal Minimum Wage Act providing for twenty-five dollars a week and fifty cents an hour.
2. The payment of a full cost-of-living bonus based on the actual rise in the cost of living to be paid to every worker in Canada.
3. That a Federal Collective Bargaining Bill be passed, similar to the Wagner Act in the United States.
4. Labour should be represented on all government boards.
5. The governments should encourage the setting up of labour-management committee to further our war efforts.

In conclusion it is our opinion that in the interests of a better society and a maximum war effort that the government should have the full confidence and co-operation of the workers of Canada and it is evident that they do not have such confidence at the present time. The government must adopt a more favourable attitude towards labour than it has shown in the past, if it is to have the support of the organized workers of the nation and if harmony and an all-out war effort are to be achieved.

Sec. Twin City Labour Council,
(Sgd.) CARL W. SHINN.

MEMORANDUM TO THE NATIONAL WAR LABOUR BOARD BY THE VANCOUVER METAL TRADES COUNCIL

Mr. Chairman and Members of the Board:

The Vancouver Metal Trades Council on whose behalf we present this brief, is an organization of affiliated unions, whose members are composed of journeymen mechanics and helpers, working in the shipyards and other vital war production plants in and around the city of Vancouver, British Columbia.

We are taking this opportunity to make some suggestions, which this Council feels, would go a long way in reducing some of the discontent which naturally arises among workers, when things are not going as harmoniously as they could.

The loyalty of our members and the determination to put forth their greatest war effort, cannot be questioned, but when there is inequality in pay, and gross indifference upon the part of some employers to suggested improvement in working conditions, we feel that a Board such as yours could relieve this tension by a few simple adjustments.

Cost-of-Living Bonus

The inequality in pay is caused by employers paying various sums of from 60 cents per week up, as a cost-of-living bonus. Our affiliated unions therefore suggest that every worker should receive the *full* cost-of-living bonus, as from an early specified date, such as July 1st.

Recommendations Not Implemented

We also desire to draw your attention to the fact, that a Royal Commission was set up in British Columbia to investigate shipyard conditions and to bring about a plan for continuous production of ships. The report of this Commission was made last August and the agreements relative to this have been signed by the unions affected, and the continuous production plan is in full operation, but that part of the report (Part II) which recommended certain improvements in and around the yards, relative to sanitary and working conditions, has not been implemented, except in two or three instances. Relative to this we are suggesting that the government appoint some person to see that these recommendations—made nearly a year ago—are implemented as speedily as possible, the workers feeling that enough time has already elapsed.

Deductions From Pay

A further suggestion which we desire to make, is that owing to the fact that each worker has several deductions made from his pay, we feel that employers should be compelled to state on the check or pay envelope, what the deductions are for. Some firms are already doing this, but others find excuses for not giving these details, which the worker feels he is entitled to, and is a continuous bone of contention.

Taxing of Cost-of-Living Bonus

Lastly we would suggest that the government *should not tax* the cost-of-living bonus. By taxing this bonus, the standard of living which it is supposed to maintain is not maintained, and it intensifies the general grievance relative to the bonus, which workers are inclined to believe does not meet the prices which are higher than, or not included in, the cost of living index.

In conclusion we wish to state our appreciation of this opportunity to present our views on these special subjects, leaving other subjects to other organizations. We hope these will be given the earnest consideration of your Board, and thereby increase the morale of the war workers in the Metal Trades Industries of British Columbia.

H. W. WATTS,
Secretary,

Metal Trades Council, Vancouver.

BRIEF SUBMITTED BY A JOINT COMMITTEE OF THE PRINCE RUPERT ALLIED TRADES COUNCIL AND THE PRINCE RUPERT CIVIC LABOUR FEDERATION TO THE INQUIRY BEING CONDUCTED BY THE NATIONAL WAR LABOUR BOARD AT OTTAWA CONCERNING LABOUR RELATIONS AND WAGE CONDITIONS IN CANADA.

(The Allied Trades Council represents all shipyard unions, A.F. of L. and C.C.L., while the Civic Labour Federation represents all Prince Rupert unions and other labour groups.)

To Messrs. Justice C. McTague, J. L. Cohen, K.C., and L. Lalonde.

SIRS:

The above committee, representing the working people of Prince Rupert, welcomes this opportunity of making submissions on so important a topic as you have chosen for this inquiry.

We believe the inquiry is being held at a particularly fortunate time, since labour relations in Prince Rupert, as in many other parts of Canada, have reached a critical stage.

In Prince Rupert, as in other parts of Canada, production is being slowed up, and unity disrupted, to say nothing of the key factor of morale, due to serious deficiencies in federal labour policy.

The existence of a large number of conflicting and confusing orders in council governing labour conditions has not helped but hindered the workers in their efforts to establish stable bargaining relations, satisfactory working conditions and all-out production.

The present Minister of Labour himself constitutes a major obstacle to national unity and harmonious labour relations. His unwarranted intransigence and dictatorial interference with policies and boards satisfactory to labour have lost him the confidence of all trade unionists. It is difficult to imagine how any federal labour laws could produce desirable results when they were being administered by a man in whom the organized labour movement has no faith. The resignation of Humphrey Mitchell and his replacement by a man in whom the workers can safely trust would untangle many of the snarls in existing labour relations.

Generally, the situation is such that in many instances management is able to hide behind the unsatisfactory federal labour regulations, prolonging and aggravating reasonable grievances which would otherwise be efficiently dealt with. Worse still, in instances where management is in agreement with the unions as to bringing about desirable changes, their hands are frequently tied by short-sighted federal edicts.

The absence of a clear, unequivocal labour policy on the part of the Dominion of Canada is being keenly felt.

Labour turnover, usually a reliable barometer to gauge conditions, is exceptionally high.

In Prince Rupert's shipyard, a vital war industry, so many workers leave each year that on average an entire new shipyard personnel is being trained annually.

What are some of the grievances that help to produce this turnover?

The following are typical of the problems Prince Rupert working people have to face.

1. The present basic wage rate of 50 cents an hour operative in the shipyard and elsewhere does not suffice, under local conditions at any rate, to maintain a decent living standard necessary to efficient work.

2. Production in the Prince Rupert shipyard is characterized by inefficiency and waste. Unnecessary delays and bottlenecks abound. The employer-employee committee which exists in the yard does not function to increase production, but has usurped the functions of a grievance committee.
3. Wartime housing rents are considerably higher than in North Vancouver shipyard areas. In proportion we pay \$5.35 per house more.
4. According to the *Labour Gazette*, one dollar buys considerably less essential commodities in Prince Rupert than in Vancouver. Prince Rupert unionists feel wages should be fifteen per cent higher here than those for similar occupations in Vancouver. At recent hearings before the Richards Commission we were told this would conflict with federal wage policy. This would show the very real need of a more flexible wage policy to meet special conditions.
5. Food constitutes a problem. Prince Rupert's population has been trebled in a short period of time by the war. Such essentials as canned milk are being allocated on the basis of 1939 consumption, somewhat reduced. Shortages of certain foods, while not confined to Prince Rupert alone, strike here with more serious effect because of such short-sighted policies as that of allocating supplies on the basis of the population four years ago. Rationing methods employed have caused some hardship. It is inconceivable that a shipyard worker, doing heavy work, and carrying his lunch on the job, should be given the same amount of butter as a girl stenographer doing light work and eating lunch in a restaurant. If the proposed system of meat rationing is applied to men doing heavy industrial work both health and production will suffer. Coast fishermen should have special consideration under a sensible rationing system. They must have food to produce food for the armed forces and the home front but instead they receive a high-handed reply from the WPTB to their reasonable requests. The service at Wartime Housing dining halls is generally considered unsatisfactory and has been certified unsanitary.
6. Workers are hired in other parts of Canada on the basis of misrepresentation of the facts. They are told houses are available, but on arriving have to wait months for accommodation for their families. They are told they will get 90 cents an hour but some get 67 cents or are transferred to other categories of work than the ones for which they were hired. The effects of this on morale and production may be imagined.
7. The workers have to wait a long time for decisions to be handed down by the War Labour Board which has proved tardy in settling disputes.
8. Recreational facilities are notoriously lacking. Since mental and physical health, and the quality and speed of work done depend largely on this factor, it can be considered a major bottleneck.
9. Only prompt action on the part of the federal authorities can avert a very serious fuel shortage in Prince Rupert, in the future.
10. Workers pressing for a "closed shop" agreement as enjoyed in other coast yards, are told this is not possible in Canadian National shops. Does this mean the federal government officially pursues an open shop policy?

Many other grievances could be cited. The above will serve to illustrate our problems. These are serious problems, and we feel them keenly. It is not for nothing that hundreds of war workers leave Prince Rupert at the first opportunity, whereas actually in times such as these the reverse should be the case.

We believe these grievances can be settled amicably. Towards this end we offer the following suggestions as to what the basis of federal labour policy should be.

It might not at first be apparent what relation such problems as rationing and some others enumerated above have to the scope of this inquiry. We have mentioned these questions because it is our considered belief, based on experience, that this war can best be expedited by establishing Government-Labour Partnership in the administration of the war effort. This would entail direct labour representation on such Government Boards as the Wartime Prices and Trade Board, National Selective Service, National War Labour Board, etc., not only at Ottawa, but throughout the country. In this way the practical knowledge of the workers can be directly utilized and national unity in the war effort given great impetus. Many short-sighted blunders would be eliminated from the beginning, as they would be evident at once to the people who would have to govern their working lives by whatever regulations were proposed.

The main solution to the problem of production is the establishment of genuine Labour-Management Production Committees. In this way the creative energy and initiative of the workers can be adequately mobilized, as has been shown with striking success in Great Britain and some Canadian plants, such as Montreal aircraft factories.

We feel the full cost of living bonus should be paid to all Canadian workers, with adjustments to meet "special" conditions in a regional way.

If the National and Provincial War Labour Boards feel they are prevented from making rulings that would take into account special conditions prevailing in Prince Rupert, then it would seem apparent a "special" Regional Board is required to deal adequately with our problems. For certain it is that special conditions prevail which have not been taken into account heretofore, to any noticeable extent.

Connected with this is the need for more flexible wage standards. For example we have not found that a wage below 67 cents an hour meets Prince Rupert conditions, though it could conceivably do so in other parts. We believe in a national minimum, with upward adjustments possible to meet local conditions. We cannot see the connection between forced maintenance of sub-standard wages and the fight against inflation since in the first place luxuries are not on the market and in the second place there are many other factors in the inflationary process besides wages.

The activities of the Department of Labour could with advantage be broadened to enable it to take action along such lines as stimulating the wholesome recreation for the workers. In many instances a certain proportion of funds could be advanced, specialist advice provided and the co-operation of Unionists enlisted in providing plant facilities and programs that could not fail to have a marked effect on production.

We also feel it necessary to reiterate our desire to see Humphrey Mitchell replaced by a Minister of Labour acceptable to the organized workers of Canada.

Finally and above all else, we respectfully submit that the basic need is for a single, comprehensive Act of the Dominion parliament, governing labour relations not only for the duration, but for the peace as well, such Act to guarantee what is surely recognized as the inalienable right of free working people everywhere, namely the right to organize and bargain collectively through unions of their own choice, and that employers shall be required to meet and bargain with any union designated as the bargaining agent by a majority vote of the employees affected, and the agreement reached as a result of such bargaining shall be legal and binding upon both parties, and that it shall be unlawful for any employer to dominate or contribute financially towards any association of employees, and that machinery be set up for quickly determining the bargaining agent in case of dispute.

Such a Labour Code, establishing rights already existing in Great Britain and the United States would be the biggest single step Canada could take in this war for freedom. Unity of our people would be strengthened, and production for the offensive could not fail to be given a tremendous boost.

It is so that we may aid in achieving these aims that the above is respectfully submitted.

With appreciation of this opportunity of laying our views before you, we remain,

Respectfully yours,

(Sgd.) GEO. RUDDERHAM, *President*,
Civic Labour Federation.

(Sgd.) C. W. WARDALE, *President*,
Allied Trades Council.

(Sgd.) BRUCE E. MICKLEBURG, *Secretary*,
Civic Labour Federation.

(Sgd.) per L. WATERS, *Secretary*,
Allied Trades Council.

SUBMISSION TO THE NATIONAL WAR LABOUR BOARD BY THE NATIONAL
EXECUTIVE COMMITTEE ASSOCIATION OF TECHNICAL EMPLOYEES
(AFFILIATED WITH THE TRADES AND LABOUR CONGRESS OF CANADA).

Mr. Chairman and Members of the Board:

The Association of Technical Employees was organized in 1938 as a result of the recognition, on the part of a group of engineers and technicians in Montreal, that some sort of organization was essential to cope with the problems encountered by technical personnel during that period.

It is of interest to note that recourse was had to the formation of a new organization only after the frustration of several attempts to interest the professional scientific organizations in the dire economic straits of technical personnel. The purpose of the organization, as outlined in the constitution, is "... to procure and maintain for Canadian technicians those conditions of employment and standards of living commensurate with their services and to enable them to play their proper role in the life of the community". Such a program is in distinct contrast to those of the professional societies, whose main purposes are the encouragement and dissemination of scientific knowledge and research.

Our organization includes professional and non-professional technical workers architects, engineers, draughtsmen, chemists, various categories of technicians; located mainly in Quebec and Ontario, but with scattered membership in other parts of the country. These are engaged in most of the essential industries of our country such as shipbuilding, steel construction, aircraft production, tanks, optical and radio equipment, instruments, etc. A number are now in the armed forces.

Role of Technical Personnel in War Effort:

From the first the importance of the application of science and engineering to the prosecution of the war was recognized by Canada's technicians. Although the engineering and technical staff forms only a small section of our industrial and fighting armies, it is the brain centre of our whole anti-Hitler machine.

The defeat of Hitlerism will depend on the extent to which we utilize the latest advances of our industrial and technological system. The death-blow to fascism will be assured by the quality and quantity of our tanks, guns, planes,

aircraft, etc. The importance of the technician in the winning of the war was very aptly stated by the founder of the Wartime Bureau of Technical Personnel, Elliott Little, who said: "... the effectiveness (of Canada's armed forces) is a measure of the engineering built into their equipment and the amount of applied science at their command". Further, detailing our effort on the home front, he continued "... the work (of Canada's industrial army) is ... the orderly mass-expression of engineering and applied science, reduced to routine".

The vast Commonwealth Air Training Scheme, synthetic rubber, optical and radio equipment ... all these have been made possible by the engineer and technician. The tremendous industrial growth of our country, in the effort to fulfil the needs of the United Nations, has called forth the use and application of all our resources.

Much has been done since the start of the war to accelerate the training of technical personnel in our schools and colleges. The Wartime Bureau of Technical Personnel was set up in collaboration with the professional societies to make an overall survey of our available personnel and to consider their proper allocation. The plain fact is, however, that because of lack of sufficient authority, and lack of proper co-operation, no complete survey has as yet been made. Nor has the Bureau been able to assign technical personnel to the position where they might be most needed or best utilized. Hoarding of technical personnel by large employers is a common feature at the present time, and the use of technical personnel for manual or clerical work is nothing out of the ordinary.

Our organization attempted to obtain representation on the Wartime Bureau but met with a rebuff from the Department of Labour. It was said that we were already well represented by the professional organizations. This attitude is characteristic of the general attitude of the government to labour participation in the war effort through representation on the various war boards. We cannot emphasize too strongly the necessity for a change in this attitude if an all out effort is to be achieved. Participation is the key-note to victory and only if the masses of the people are permitted to participate alongside employers and the government will the confidence of employees be raised to the high pitch necessary for a maximum effort.

Labour-Management Production Committees

Representation of our working people on war boards is insufficient. There are throughout the country about 650 so-called labour-management committees in war production plants. However, even a casual examination of the set-up of these committees shows that very few, probably not more than a handful, really perform the functions they are meant to. Most of them are no more than glorified suggestion committees, which consider the suggestions of individual employees with regard to specific operations.

What is the purpose of a labour-management committee? What is the nature of the problems they are meant to solve?

Generally, the purpose and function of these committees is to improve and increase war production through the elimination of inefficiency and waste, and by raising the morale of the employees.

The purpose and nature of the problems to be tackled have been excellently outlined at the first meeting of the National Labour-Management Committee formed by the government and in charge of Mr. Goldenberg. The government is to be complimented on taking this initial step which is in the right direction.

But, again, the salient feature of this committee is that labour has no direct representation or authority in it. The purpose of the committee is to help the formation of such committees, and to direct them but labour representatives have only been invited to sit in an advisory capacity.

Employers have been known to block by every possible means the efficient functioning of such committees. Frequently the labour representatives are informed that they are hardly in a position to contribute anything of value since they have no technical knowledge of the processes of production. This is largely a misrepresentation. Furthermore, it implies an attitude on the part of the employer against the participation of technical personnel. In fact, we have found by experience that employers are opposed to such participation. In one particular plant a plan for increasing production was received with derision and scorn by the management and the author subsequently discriminated against. This in the face of the obvious fact that technical personnel are in a position to see the nature of the obstacles to production most clearly.

Labour is willing and anxious to contribute all it can to war production and labour proves this by taking the initiative in the formation of production committees. When a plant is organized the efficiency of the production committee is of a high order.

Salary Standards and Conditions

In view of the importance of technical workers in our society, one would naturally expect that the position they occupy is one of respect, and that their economic needs are at least reasonably well satisfied.

With the exception of those who have reached executive positions, which do not require the use of their technical training to any appreciable extent, nothing could be further from the truth. Starting during the depression years, and continuing up to the present time, the engineer has become a factory employee, in many cases working under similar conditions as shop employees and subject to the same routine and discipline. He is hired on the basis of the salary he is willing to accept and classified accordingly—that is without reference to the type of work being performed. Many organizations hire highly trained personnel to perform routine work. This represents not merely a waste of manpower, but is hard on the morale of the people thus affected, who, because of their training, are in a position to know where their qualifications can best be applied.

We would like to emphasize the fact that the graduates in science and engineering from our schools and colleges are actuated by a real interest in science and a thirst for knowledge, and are anxious to apply it in their country's service. One of their first considerations in seeking employment is to obtain a position which will utilize their training; salary and working conditions are at first regarded only as of secondary importance.

It is a common occurrence to find an engineer or technician paid less than a semi-skilled or even an unskilled worker; in a number of known instances, even less than sweepers. For this they can be, and are required to work during any evening or holiday, in most cases with no extra remuneration, or at the most, supper money. Attempts to obtain overtime pay for technical personnel have met with great opposition on the part of the employers. At times ignorance of the Wartime Wages Control Order is used to block a request for a "raise".

In Quebec, especially, conditions are in a serious state. It is a sad fact to relate that in the aircraft industry engineers and draughtsmen are receiving wages below the standard of 50 cents per hour, or \$25 per week, requested by all sections of organized labour as the barest minimum necessary for subsistence.

In view of the above conditions it is not surprising that the need for organization has been felt. However, attempts at organizing have met with fierce resistance on the part of employers. Every opportunity has been taken to intimidate technical personnel who have joined the A.T.E. Throughout the four years of our existence our growth has been continually hindered by employers

who have, by threats of dismissal, and by actual dismissal, discouraged membership in the organization.

We believe that any recommendations brought in by your Board should provide for adequate machinery to deal with discrimination cases, to provide for reinstatement with back pay, and for penalties against employers who practise discrimination. The right to join or to refuse to join a collective bargaining agency should be left entirely to the free choice of the employee.

Company unionism has been repeatedly foisted upon technical employees. Attempts have also been made to use them as a base for combating shop unions. In some cases retention of employment has been made conditional upon joining a company dominated union. Promotion has sometimes been made conditional upon complete subservience to the employer's directives when the employer is engaged in a labour struggle. It is not an exaggeration to say that many technical employees have come to recognize that merit is not the determining factor in connection with advancement. Company dominated unions should not be countenanced. Technical employees have seen too many ways in which the employer may exert an undue influence. Even when proper organization has been completed employers have used every possible method to deal with the men individually and avoid recognition of the union.

The legal manipulations of the Department of Justice through the Department of Labour have done more to ruin the morale of a very important group of technicians in Ontario than any other single factor. We refer to the rulings brought down in connection with the cases we outline in a separate memorandum. The legal hair-splitting used to confound the meaning of an Act designed to facilitate relations with an employer is extremely deplorable.

The men involved in the dispute with the structural steel companies naturally find it hard to understand why Order in Council P.C. 10802 should make it possible for technicians in Crown companies to be recognized as employees, while those in private industry continue to be regarded as beings who use their "scientific imagination" and therefore not to be classified as employees. This restriction should be removed.

In the case of the Canadian Broadcasting Corporation a great deal has been said from time to time about their status. While your Board may not be in a position to completely clarify this we wish to point out that it is high time the Corporation was legally defined as either an arm of the government or a separate entity. Corporation executives become breathless climbing from one fence to the other. We see no reason why the C.B.C. should not have been included within the provisions of P.C. 10802 for Crown companies and ask that you recommend this to be done.

We commend to your attention the statement of the C.B.C. employees to the management upon the occasion of their first meeting November 28, 1939 (attached memorandum). It expresses in a very real and sincere way the earnest desires of a group of technicians with little or no knowledge of labour organization, but anxious to improve their relations with the management and to bring about better conditions in a nerve-racking job. The methods used to oppose them cannot be condoned, especially when it is considered that the executives are responsible to the government itself.

Position of Technical Personnel in England and the U.S.A.

It may be of some interest to the members of the Board to run over briefly the efforts of technical personnel in Britain and the U.S.A. to improve conditions through organization.

In Britain there are a number of organizations embracing different fields of engineering and technical work, such as the Association of Engineering and Shipbuilding Draughtsmen, the Association of Architects, Surveyors and Tech-

nical Assistants; the Association of Scientific Workers; and others, with memberships running into five figures. Collective bargaining with regard to working conditions and remuneration is standard practice; and the work of these organizations in a network of production councils has provided material for several BBC broadcasts.

In the U.S.A. one organization stands out, the Federation of Architects, Engineers, Chemists and Technicians. With a membership of over 10,000, it is the signatory of collective contracts in more than sixty plants, including the Shell Oil Co., development and research laboratories in California, the automotive industry in Detroit, the U.S. Navy Yards, and others. Its proposals for the establishment of production committees throughout plants engaged on war production have led to joint discussions with President Roosevelt and WPB head Donald Nelson. The subsequent adoption of the plan makes mandatory the setting up of production committees by all plants engaged on government contracts. The F.A.E.C.T. has gone one step further and issued a manual for labour members of production committees entitled "Producing for Victory", which has been distributed by the War Labour Board and a number of manufacturers, as well as the C.I.O. Because of the interest which has been displayed in this unique publication, we submit a copy for your perusal. It is an indication of the initiative of technical personnel in facing the basic problems of war production when they are permitted some measure of participation.

We are of the opinion that the granting of recognition to Canada's technical personnel to freely join a collective bargaining agency and to negotiate with employers regarding working conditions and salary standards, will lead to contributions at least as valuable as those of our British and American colleagues.

Conclusion

It should be obvious from the foregoing that there is a great need for legislation which provides for the right of collective bargaining, national in scope, and including technicians and engineers. Our war program to crush Hitlerism demands the utmost speed in the enactment of such legislation, which should also provide for the participation of the worker, along with management and the government, in all controls which have for their object the efficient prosecution of the war.

At the present time engineers and technicians are being laid off because of the curtailment of development work in some lines of war production. If the Wartime Bureau of Technical Personnel contained the powers to function properly, transfers could be effected which would eliminate all lay-offs, provided proper planning was achieved through a board of war production, including labour representation.

Our problems will not cease with the defeat of Hitlerism. The winning of the war will bring us into an era which will require a continuance of our present efforts in order to attain our objectives. In the building of a better Canada the engineer and technician stand in the forefront, with science as the weapon paving the way towards a better world.

MEMORANDUM TO THE NATIONAL WAR LABOUR BOARD *RE* DISPUTE
BETWEEN CANADIAN BROADCASTING CORPORATION AND THE
ASSOCIATION OF TECHNICAL EMPLOYEES.

(Affiliated with the Trades and Labour Congress of Canada)

A chaotic labour situation has always existed in Canadian radio broadcasting. Employers have taken advantage of the limited field to maintain long hours with low wages. The co-operative nature of the industry has never extended to the employees themselves because of lack of contact through great distances and a competitive spirit of "loyalty" engendered between stations.

When a national radio system was formed it was felt that labour conditions would be remedied, or at any rate, that a corporation which controlled all other phases of the business would see to it that a stable labour policy could be laid down. These expectations were not realized. Up to the spring of 1940 the corporation blocked all attempts to present individual cases. Occasionally small adjustments were made but in general employees who received promises from presumably responsible officials found these promises dishonoured. Further aggravation was felt because, mysteriously enough, some individuals were at times given preferences when no valid excuse could be had for others, possibly more deserving, not obtaining the same. This continued until employees showed signs of taking organization seriously, when the corporation found it possible to establish a statutory increase of \$60 per annum to a specified maximum. This first classification was carried out by Mr. Donald Manson, long known as an extremely competent executive of the Department of Transport, but even he was unable to iron out the overwhelming number of inequalities that had grown up over a period of years. The following is a history of the attempt of the C.B.C. employees to organize and bargain collectively.

November 28, 1939

First meeting of C.B.L. staff. Delegation appointed to meet local manager with statement. (Appendix 1).

December 1, 1939

General program director through local manager threatens to bring in Royal Canadian Mounted Police to operate station.

December 2, 1939

Letter from Mr. Gladstone Murray *re* pressure upon management. (Appendix 2).

December 5, 1939

Employee committee set up to formulate plans on staff welfare.

January 16, 1940

Staff meeting addressed by local manager urging formation of "employees' council".

January 19, 1940

Minutes of all employees' meetings forwarded to Chairman of Board of Governors, with lengthy resolution from meeting of January 16.

January 25, 1940

Committee meets with local manager. Urged to await word from Board of Governors on organization.

February 20, 1940

Employees write asking for views from Board of Governors.

March 8, 1940

No word from Board of Governors. Employees meet and vote unanimously to join the Association of Technical Employees. Resolution transmitted to other points on the system and to the Chairman of the Board of Governors, with letter. (Appendix 3.)

March 13, 1940

Letter from General Manager notifying employees that "staff councils" were now functioning in Montreal and Ottawa, and suggesting same for Toronto.

March 14, 1940

Letter from Board of Governors promises reclassification of staff with salary scales, etc.

March 19, 1940

Employees meet (no record of meeting available). Executive writes General Manager agreeing to "explore possibilities of existing machinery by use of existing employees' committee."

April 16, 1940

Memo from General Manager states reclassification proceeding as rapidly as possible.

June 1, 1940

C.B.C. requests sworn statements from all staff bearing on true allegiance to His Majesty.

June 15, 1940

Member of engineering staff discharged with no reason given. This man had been active in advocating legitimate labour organization.

June 26, 1940

Group of staff approach A.T.E. for membership. Union commences active organization, first obtaining approval of Trades and Labour Congress of Canada.

July 1, 1940

Union protests dismissal of engineering staff member to General Manager.

July 20, 1940

Dismissal taken up with Dominion Department of Labour.

August 1, 1940

Union applies for board of conciliation.

August 13, 1940

General Manager agrees to reinstate dismissed employee and promises official union recognition from Board of Governors.

August 20, 1940

General Manager states that "recognition was never in doubt".

January 10, 1941

Referendum arranged with permission of local station manager for Toronto studios and stations.

Result: For the Union.....	54
For the "Staff Council".....	2

January 16, 1941

Union applies to General Manager for negotiations on a collective agreement.

January 20, 1941

General Manager agrees to meet for preliminary discussions.

February 1, 1941

C.B.C. appoints "Welfare Officer" to handle staff grievances.

February 20, 1941

Union chairman meets with General Manager. General Manager promises completion of negotiations by April 1st (start of fiscal year).

March 1, 1941.

C.B.C. in person of welfare officer, attempts to get Vancouver staff to sign "yellow dog" contract.

March 10, 1941

Union member discharged for "unsatisfactory service". (Same man who had been previously discharged and reinstated.)

March 25, 1941

Union members authorize executive to apply for board of conciliation.

March 28, 1941

Letter to Assistant General Manager extends deadline for negotiations. (Appendix 4.)

April 1, 1941

Assistant General Manager, Dr. Augustin Frigon, appointed to handle staff matters, attends general meeting of employees and refuses to deal with the union.

April 8, 1941

Union applies for board of conciliation and investigation.

April 26, 1941

Union receives copy of ruling of Department of Justice dated April 4, 1941. (Appendix 5.)

From April 26 on the union made repeated attempts by mail to obtain a decision from the Department of Labour as to whether or not a conciliation board would be set up. On May 22, or 43 days after the application had been filed, the union chairman interviewed Dr. Bryce Stewart of the Department in order to obtain a ruling. The application for a board was rejected. Two hours after his return to Toronto the chairman was arrested by the R.C.M.P., held incommunicado, and interned at Petawawa. He was later charged with being a member of the Communist Party.

Taking advantage of the stunning effect the arrest had upon the employees the C.B.C. proceeded rapidly with the formation of "staff councils". The press-gang methods used in doing so may be seen in the letter issued to the employees by Dr. Frigon, the Assistant General Manager. The following extract is from his letter of June 25, 1943:

We will not tolerate that any individual through his action should interfere with this scheme . . . faithful servants will see to it that no trouble-maker jeopardizes their efforts, etc., etc.

According to C.B.C. employees these councils are now practically moribund and there is no doubt that an unbiased survey would reveal a very real desire for legitimate labour organization.

The attached ruling of the Department of Justice (Appendix 5) was queried by A.T.E. legal counsel, and objected to by organized labour as a whole on many occasions. Order in Council P.C. 10802 of December 1, 1942, provided for collective bargaining in Crown plants but amendments were passed setting aside the C.B.C. from its provisions.

APPENDIX 1

(Copy of Report)

NOVEMBER 28th meeting.

Before presenting the report adopted unanimously at a meeting of thirty-two members of C.B.L. staff, held in Studio "B", at midnight, November 28, it is the expressed wish of the meeting that this report be prefaced by an expression of loyalty and confidence in the management of the station, and the general management of the C.B.C.

The meeting also wish it to be made perfectly clear that the committee appointed to represent them is in no way singled out as a group especially responsible for the formation of the attached report or its adoption by the said meeting.

Report Read Before, Discussed and Adopted by a Meeting of Announcers, Engineering Department and Production Staff on November 28, to be laid before Mr. Radford.

The most modern ideas on trade unionism insist that its objective is not to force unreasonable demands upon managements or to embarrass executives with impossible situations, but to co-operate with managements to produce greater efficiency and greater happiness and contentment among employees. By the very nature of their work, C.B.C. employees feel that they are part and parcel of their product . . . the production and emanation of C.B.C. programs, and also by the nature of their work they feel more responsible than other types of workers for their output. In view of the fact that Toronto is the chief production centre of the C.B.C. and has turned out some of the finest programs on the network, the members of the proposed association, all of whom had some hand in the production of these programs, feel a pride of profession which is entirely laudable and naturally leads to the development of a guild spirit within our ranks which can only result in the joint benefit of the C.B.C. and themselves. From the earliest times guilds and crafts have always operated towards better work and happier workers. It is, therefore, our desire that the management do definitely understand that the motives for the formation of this union is intended to be wholly beneficial to the C.B.C.

Recently, interest in the matter has crystallized to the point where it was decided to investigate the possibilities offered by the various organizations existing in Canada, and with offices in Toronto.

After exploring all channels dealing with employee organizations, the A.T.E. (Association of Technical Employees) seemed to us to be the one most suited to our needs, and the representative here has offered to wire Ottawa to have the President of the Trades and Labour Congress there establish contact with the General Manager, so that we may be assured of Mr. Gladstone Murray's acceptance of this association, as an organization to which we might belong, should we be able to qualify for membership.

We were assisted in the process of elimination by Mr. Wren who advised us of the possible avenues we could explore. We rejected both the American Federation of Labour and the C.I.O. as incompatible with our needs, and possibly unacceptable to the C.B.C. in view of their connection with American labour.

The Association of Technical Employees embraces all types and classes of technical employees. Engineers (radio, electrical, mechanical and structural), architects, chemists, etc., etc. It is essentially an association of white collar workers and is all Canadian, having no affiliation whatever with any American trade union or labour organization.

Its aims are to retain and improve the economic status of its members, provide social contact between technical men, and arrange lectures and talks on technical subjects.

It would be idle and hypocritical to deny that there are individual cases for grievances on all sorts of grounds, but an examination of these grievances shows that in nearly all cases a happy solution may be found by joint conferences between managements and the negotiation committee of the proposed guild or union. It should be said that in many cases these grievances will disappear when the full facts are made known.

An employee may and in many cases does harbour bitter feelings because he is not fully apprised of the facts and difficulties of the executive. Were he to place his case in the hands of his colleagues who will meet with the executive, and were all parties concerned to explore the matter, a solution based on known facts could be arrived at. At present employees are loath to approach the managements with their disappointments or difficulties for fear of being considered malcontents and damaging their chances.

However, be it understood that the joint consideration of grievances is only a very minor and incidental part of the purpose behind this movement.

We are aware that the management may view the secrecy with which these preliminary arrangements have been handled with suspicion and alarm, but a moment's thought should dispel this view.

It is unfortunate that in the present state of labour development in Canada any suggestion of organization of employees immediately predisposes the ignorant to thoughts of agitation and communism and other alarming action. This is largely due to the way labour organization is played up in the press as sensational and inflammable matter. In our inquiries into the situation we were obliged to visit and hear the views of representatives of labour organizations that have figured sensationally in the press and all the time it was thought that, should any ill-informed or inimical party learn that a movement was underfoot for any kind of organization, it would provide extremely attractive copy for the gutter-press and bring immediate and unwelcome adverse publicity on the C.B.C. This eventuality the interested parties have been meticulous to avoid at all costs. Hence the secrecy employed in the preliminary work.

It should be said that at the beginning no one of the interested parties had any practical knowledge in group organizing and it was decided that a deputation should call on Mr. Wren, Secretary of the Workers Educational Association. We recalled that he had personally spoken over our network and evidently was approved of by the C.B.C. Our confidence was doubled when we learned that his association was actually subsidized by the Federal Government and Canadian Universities. Mr. Wren was kind enough to place all the information before our representatives and meetings were held with secretaries of different organizations to ascertain exactly what type of organization was best suited to our needs. After having thoroughly explored all avenues, we decided upon an affiliation with A.T.E., The Association of Technical Employees. Its aims are entirely beneficent and no fair minded man could possibly take exception to their methods of promoting the welfare of their members.

After this group has been formed, it is hoped to extend its benefits to all employees of the C.B.C. wherever they may be stationed. No thought of disloyalty to the C.B.C. has ever entered into any conversation and all the signed petitioners have signed voluntarily and have shown very keen interest in the formation of this group. It has never been envisaged that any issues would be forced or any mass pressure brought to bear. It is, of course, earnestly desired that all matters of personal grievances be immediately made the matter of enquiry and a satisfactory solution arrived at...this simply because it is impossible for the constructive value of our organization to be reflected in our

work and the products of our work until the air is cleared of all contentiousness and disappointment. Our object is full co-operation with the management for the purpose of better broadcasting through increased efficiency occasioned by pride of profession, a sense of security and a recognition of status. We hope that by this document we will have cleared up all misunderstandings as to the purpose of our deliberations, and that we may now proceed immediately to organization as outlined in this memorandum.

Memorandum to Mr. Radford:

It is earnestly hoped that you will lend your full co-operation and sympathy to the objects outlined in the attached. We are sensible of your desire for harmony and contentment among the personnel of your station. You have displayed your sympathy and interest to many of us in private ways, and we feel confident that you will not withdraw your interest and support from these considerations, which are in effect merely an extension of your expressed desires by general and open methods.

APPENDIX 2

Toronto, December 2, 1939.

To:—Members of Staff, Toronto Studios and
CBL Transmitter, Hornby, Ontario.

Following is general notice released to members of C.B.C. staff by the General Manager:

General Notice—Copy For Each Desk

Your attention is re-directed to General Instruction No. WEM-3, dated September 12.

As the pace of war effort quickens, so the organization and work of the C.B.C. are being adapted to conform with emergency conditions.

Suggestions about pay, accommodation, and working conditions generally, presented through normal channels, are welcomed by the management.

Members of the staff of the C.B.C. who may be advised to bring pressure to bear on the management through a trade union should realize that such a course in war-time would involve grave considerations which His Majesty's Government in Canada could not disregard.

(Sgd.) GLADSTONE MURRAY,
General Manager.

J. R. Radford,
Manager, CBL-CBY

APPENDIX 3

Resolved: that the appended letter be forwarded to Mr. Rene Morin as read.

The letter, expressing accurately the sentiments and desires of the meeting.

Copies of the letter to the General Manager, Acting Supervisor of Programs and Station Manager of CBL.

Carried: For—39

Against— 1

Dear Mr. MORIN:

In your letter of January 24, you invited us to correspond with you directly on matters relating to the proposed Employees' Council.

As no doubt you are aware, the General Manager met our committee in Toronto on January 25 and we were afforded an opportunity to place before him details of various matters which are the subject of dissatisfaction.

The General Manager's evident interest in, and his sympathetic hearing of these complaints, as well as his assurance that they would be adjusted, left us with a sense of complete satisfaction and a knowledge that he will take the

requisite steps to right any wrongs. The General Manager has asked us to supply him with additional detailed information and suggestions so that he may be the better apprised. This information is being forwarded to him as it is prepared and approved by the body.

However, in regard to the draft for an Employees' Council, which we submitted to the General Manager, he informs us that, since it contains items which raise points of policy and that since we, ourselves elected to address communications to the Board of Governors, that he, the General Manager, is not empowered to deal with the question.

We understand that the question of Employees' Council in general and of our draft in particular, will be discussed at a board meeting, not yet fixed. We are writing to you, therefore, to ask that the discussion of our draft for Employees' Council be abandoned, and that in its stead consideration be given to the question of certain classifications of employees, viz: Engineering Staff, Announce Staff and Production Staff, to set up a semi-autonomous branch of an approved professional organization, such as the Association of Technical Employees.

The reasons for this change are as follows:

1. It is felt that the draft for a staff council submitted, may contain items which are not readily acceptable to the Board of Governors, and that a considerable amount of time may elapse before a mutually acceptable arrangement would be arrived at. It is the desire of the body that delay be minimized.

2. It is considered that membership of C.B.C. personnel (of the above mentioned categories) in an organization which has affiliations with the Trades and Labour Congress (and through it with a very large body of labour in Canada) would tend to resist any sweeping political changes should they affect the livelihood and working conditions of employees, a protective function which would not be inherent in any internal organization such as an Employees' Council.

3. The desire to associate themselves with labour through a trade union was the original aspiration of this body of men. (Note minutes of meeting November 16.) The fulfilment of this wish will settle speedily and expeditiously the matter of organization generally. The body of men now express themselves as wishing to revert to this objective.

It should be pointed out that it was never envisioned that the formation of the radio branch of the A.T.E. would be utilized to bring pressure to bear on the management to grant unreasonable requests or to embarrass the management or to endanger the functions of national broadcasting. That our requests are reasonable and that many injustices do exist has been, we believe, accepted by the General Manager. We have already stated that we have complete confidence in the General Manager that, where it is within his power to adjust grievances, he will do so. Therefore, we trust that it is clear that our desire to form a branch of the A.T.E. does not indicate that we will immediately resort to the machinery of trade unionism to force redress of grievances. The General Manager has told us that he will, of his own volition, adjust the inequalities, etc., which do, in fact, exist.

The desire to form a trade union is based, therefore, on expediency and a feeling of professional solidarity and advancement.

Although we are well aware that questions of this sort cannot be settled overnight, at the same time it is the desire of the meeting that a speedy conclusion to this matter be reached. This body of men met in November of last year to enquire into organization and nearly four months have elapsed without any arrangement having been reached. We would be glad, as we feel that you would be too, to have this matter decided and out of the way as the war crisis in Europe demands that we all put more and greater effort into the efficient operating of national broadcasting in times of stress.

If we do not hear from you to the contrary by March 19, we shall assume that we may proceed to further consideration and possible action on the above.

APPENDIX 4

ASSOCIATION OF TECHNICAL EMPLOYEES
Toronto

Dr. FRIGON,
Assistant General Manager,
Canadian Broadcasting Corporation.

March 28, 1941.

DEAR DR. FRIGON,—We the undersigned, have been instructed by the men we represent (comprising 100 per cent announce staff, 100 per cent production staff and 80 per cent engineering staff, and 100 per cent studio maintenance staff of CBL) that:—

In spite of the change in personnel responsible for staff matters, they (the men) hold the promise made by the General Manager to the Chairman of the union, in the presence of Mr. Terence O'Dell on February 20th, to be binding, and consider that this promise should be honoured by his successor in this matter (Dr. Frigon). The promise was that negotiations would be *completed* with the union by April 1st.

In due consideration, however, of the very recent appointment of Dr. Frigon as executive in charge of staff matters, and in consideration of the fact that apparently Dr. Frigon is uninformed of the commitments made by the General Manager, the union has decided to afford time for a negotiating committee to be set up.

The union, therefore, requests that they be informed not later than Saturday, April 5th, 1941, that such a committee has been set up . . . together with their names; and that such a committee will be fully empowered to negotiate with the representatives of the union (all to be members of CBL staff) and to sign, at the negotiating table, a document to be mutually satisfactory to both the union and management; and that such document shall thereupon become binding on both parties, and that its provisions shall be retroactive to April 1st.

The union also requests that they be assured that negotiations with such a committee shall start on April 16th and shall be continuous till either:—

- (a) An agreement has been reached.
- (b) A deadlock results.

In the latter case (b) either party shall then be free to call for a conciliation board under the Industrial Disputes Act and in accordance with provisions laid down with the Order in Council referring to labour relations during the war. In the event of the union not being informed by April 5th that such negotiating committee (with full plenary powers to conclude an agreement with the union) *has* been set up, the members of the union have definitely instructed their Chairman to apply forthwith for a board of conciliation.

Likewise if it is agreed that sittings with such a negotiating committee shall start on April 16th, 1941, and if such sittings have not commenced on that date, then the union will feel free to apply for a board of conciliation on any date after April 16th, 1941.

The men we represent wish to point out that this constitutes an extension of fifteen days for the *opening* of negotiations, whereas their *conclusion* was promised by April 1st, 1941.

The members of the union are unable to see any reason why promises made by the General Manager should be set aside in principle or detail in favour of entirely new proposals and new avenues of approach suggested by the Assistant General Manager, although they appreciate that the latter is now appointed by the Board of Governors to deal with the staff. But the members take the attitude that, in deference to Dr. Frigon's difficulties, time should be allowed to put into effect, *as speedily as possible*, the machinery agreed upon by the General Manager as far back as February 6, 1941.

(Signed) J. A. MURPHY,
IAN SMITH,
TERENCE O'DELL.

Copies of this resolution are being sent to the Ministers of Labour and Transport, and to the Prime Minister, also to the Trades and Labour Congress, in Ottawa.

APPENDIX 5

DEPARTMENT OF JUSTICE,
Ottawa, Ont.,
4th April, 1941.

J. R. 5698/41

DEAR SIR:

I have given careful consideration to the question submitted by you whether your Corporation is authorized to enter into an agreement with the Association of Technical Employees, a union affiliated with the Trades and Labour Congress of Canada, in the terms of the draft proposal submitted by you.

Your Corporation is, in many respects, in the position of a department of government and I would not think that the Board of Governors or the General Manager would have the authority to enter into such an agreement which would restrict the authority of the Corporation to act as freely as the Government itself in all matters relating to its employees.

Yours truly,

(Sgd.) W. STUART EDWARDS,
Deputy Minister of Justice.

The General Manager,
Canadian Broadcasting Corporation,
Ottawa.

ASSOCIATION OF TECHNICAL EMPLOYEES
Toronto

June 4, 1943.

Hon. HUMPHREY MITCHELL,
Minister of Labour,
Ottawa, Ontario.

Dear Mr. MINISTER:

On December 14, 1940, this association requested a group of structural steel firms in Ontario to negotiate a collective agreement covering the employees of their drafting and designing offices.

On July 30, 1941, we applied for a board of conciliation and investigation under the Industrial Disputes Investigation Act. The board was refused, allegedly because the employees concerned were not employees within the

meaning of the act. Your department later explained that the Department of Justice had ruled these men could not be defined as employees, within the meaning of Section (2) because their work "required a display of imagination, or the application of scientific knowledge as distinguished from manual dexterity". Mr. A. W. Roebuck, among others, strongly disagreed with this ruling.

Subsequently, Mr. Louis Fine was appointed by your Department to act as an investigator. On March 15, 1942, Mr. Fine reported that the companies concerned would not meet with the union. Some of them agreed to meet with committees of their own employees, but some would not even agree to this method of negotiation. At a later date, in correspondence with our attorney, Mr. Laskin, your Department agreed to give consideration to a revision of the act in order to bring these employees within its provisions.

Our members observed with satisfaction the passing of Order in Council P.C. 10802 of December last which gave technical men employed in Crown companies the same rights enjoyed by other employees. They naturally feel that the next logical step should be the amendment of Section (2) of the I.D.I. Act, thus allowing conciliation procedure to apply to technical employees within private industry. It may be that this can be accomplished in a simple manner by the insertion of the word "technical" within Clause (e).

We would be very pleased to hear that this matter has been given consideration, as promised, and that favourable action may be expected shortly.

Yours very truly,

(Sgd.) P. T. DAWES,
National Chairman.

DEPARTMENT OF LABOUR

Canada

Ottawa, June 8, 1943.

Mr. P. T. DAWES,
National Chairman,
National Association of Technical Employees,
Room 314, 57 Bloor St., West,
Toronto, Ontario.

Dear Sir:

Your letter of the 4th instant, addressed to the Honourable Humphrey Mitchell, in connection with the desire of your organization to have the Industrial Disputes Investigation Act amended to take in technical employees, has been referred to the undersigned for reply.

I am instructed to inform you that various amendments to the Industrial Disputes Investigation Act have been under consideration, but that, pending the inquiry being conducted by the National War Labour Board into wage conditions and labour conditions, such matters are in abeyance.

Yours very truly,

Director of Industrial Relations
(M. M. MACLEAN)

MEMORANDUM TO NATIONAL WAR LABOUR BOARD *RE* DISPUTE BETWEEN CERTAIN STRUCTURAL STEEL COMPANIES AND THE ASSOCIATION OF TECHNICAL EMPLOYEES (AFFILIATED WITH TRADES AND LABOUR CONGRESS OF CANADA).

October 15, 1940

Proposed collective agreement receives final approval of members at conference with employees of all companies concerned.

December 14, 1940

Union applies for negotiations with:—

1. Dominion Bridge Co., Toronto.
2. Hamilton Bridge Co., Hamilton.
3. Canadian Bridge Co., Windsor.
4. Standard Steel Construction, Welland.
5. Sarnia Bridge Co., Sarnia.
6. Disher Steel Co., Toronto.
7. Frankel Bros., Ltd., Toronto.

Copies of proposed agreement forwarded.

No reply was received from any one of the above companies. The Canadian Bridge Company reported to local officers of the union that their parent company, the Dominion Steel & Coal Co., refused to discuss a collective agreement.

January 8, 1941

Union again writes to companies concerned inviting negotiations. No reply was received.

March 1, 1941

Union again writes. No reply.

April 16, 1941

Hamilton Bridge asks for proof of membership. Union asks for employee listings.

May 8, 1941

List received and union makes declaration showing beyond question proof of over 90 per cent membership.

The union was unable to obtain any further communication. An outline of the efforts to date attached as Appendix 1.

July 30, 1941

Union applies for board of conciliation covering companies 1, 2, 3, and 4.

August 19, 1941

Labour Department says some doubt exists as to status of employees under Industrial Disputes Investigation Act.

September 19, 1941

Department of Labour advises employees do not come under the Act and refuses a board.

November 3, 1941

Hon. Arthur Roebuck, M.P., asks the Department for an explanation. (Appendix 2.)

November 14, 1941

Department replies saying Justice rules that employees do not come under the Act because they required a display of imagination or the application of scientific knowledge as distinguished from manual dexterity.

January 15, 1942

Department of Labour agrees to appoint Mr. Louis Fine as investigator.

March 15, 1942

Mr. Fine reports the companies concerned will not meet with the union.

Order in Council P.C. 10802 of December, 1942. Classified employees in Crown companies as either manual, *technical*, or clerical. In view of this the union feels that the Department of Justice ruling pertaining to technical employees should be revoked and that technical employees in private industry should be placed in the category of employees as defined under the I.D.I. Act. The dispute continues.

September 14, 1942

On behalf of technical employees Hamilton Bridge Co. applies to Ontario Regional War Labour Board for upward revision of overtime rates from straight time to time and one-half.

October 5, 1942

Regional Board declines to authorize any change.

November 18, 1942

Union applies for an upward revision in overtime rates in the light of certain facts set forth.

December 8, 1942

Regional Board reconsiders application of the company and authorizes payment of overtime at time and one-half.

January 6, 1943

Company refuses to follow out this permit to pay.

On the question of overtime rates the Hamilton Bridge Company agreed to abide by any ruling of the Regional Board but only did so when the decisions of the Board corresponded with their desires. When a Board has observed all the facts and given proper and weighty consideration to the matter it is a negation of all respect due a government body for evasions to be tolerated. The Union is of the opinion that decisions of the Board should carry the full force of law instead of being on a permissive basis.

The Union now finds itself in the position of being unable to fulfil its obligations to its members because recourse to federal legislation is denied and a recommendation under the Wartime Wages Control Order leaves the company concerned free to act as it chooses.

APPENDIX 1

*Outline of efforts made by parties concerned to adjust the dispute:—*A draft collective agreement by the Association of Technical Employees was mailed to the respective general managers of the companies named above, accompanied in each case with a covering letter dated December 14, 1940. This letter drew attention to the terms of Order in Council P.C. 2685 and its implications, and notified the respective companies that the Association of Technical Employees had established a negotiating committee to meet with representatives of the companies. A time and place for the initial meeting was tentatively proposed.

No reply was received by the Association of Technical Employees by way of acknowledgment or otherwise from any of the companies. But there were some repercussions.

The management of the Dominion Bridge Company indicated orally that there was nothing objectionable in the proposed agreement and gave local officers of the Association of Technical Employees in their employ to understand that there would be no difficulty in arriving at a satisfactory settlement through negotiation. However, when pressed for a serious discussion of the proposed agreement the management raised objections and strongly opposed the signing of an agreement. It failed to meet a request to put its objections in writing. The local officers of the Association of Technical Employees were asked by the management to consider an agreement in effect at one of the company's subsidiaries but the local membership rejected this attempt of the company to foist a company union agreement upon them.

There was some discussion between the management of the Hamilton Bridge Company and local officers of the Association in their employ, characterized by efforts of the management to discourage union organization.

The general manager of the Canadian Bridge Company met several local officers of the Association in the company's employ and advised them that he would have to secure the viewpoint of the Dominion Steel and Coal Company, the parent company, since the Canadian Bridge Company had no authority to discuss a collective agreement. Some weeks later the Canadian Bridge Company reported that the Dominion Steel and Coal Company had categorically refused to discuss or sign a collective agreement.

The Standard Steel Construction Company maintained a complete silence with respect to the draft agreement and the covering letter of December 14, 1940.

By letter dated January 8, 1941, the Association of Technical Employees invited the respective companies to suggest a more convenient arrangement in view of the fact that its proposal for a discussion of the terms of the draft agreement had failed to obtain general approval. None of the companies responded to this letter. On March 1, 1941, the Association again wrote to each of the companies and asked for the initiation of negotiations. It drew attention to the need for stabilizing employer-employee relations through a collective agreement and invited the co-operation of the companies to avoid the necessity of a resort to conciliation measures. Again no reply was forthcoming from any of the companies.

Early in April, 1941, the general manager of the Hamilton Bridge Company indicated orally that he would be prepared to meet for discussion with the national executive of the Association of Technical Employees. The national secretary of the Association wrote on April 12, asking for confirmation of this fact, and the general manager replied by letter dated April 16, appointing a time and place for the meeting. This was the first and only written communication received by the national office of the Association of Technical Employees from any of the companies. At the ensuing meeting it was agreed that the company would supply a list of the employees of its technical staff to the Association in order that the latter might offer proof of the fact that a majority of the technical staff of the Hamilton Bridge Company were members of the Association of Technical Employees. On May 8, the Association complained that it had not yet received the list and questioned the company's sincerity. It advised the company that if direct negotiations could not be continued a board of conciliation would be sought. Shortly afterwards the list was supplied. On the basis of this list the chairman of the Association of Technical Employees made a statutory declaration setting out the number of employees on the list who were eligible for membership in the Association and the number of those

eligible who actually were members of the Association in good standing. This showed beyond question that the Association could quite properly claim to speak for the employees of the technical staff. The declaration accompanied by proof that the Association of Technical Employees was a recognized and responsible organization was forwarded to the company which reverted to a policy of silence.

From that time on and to the date of this application the companies named in this application have arrogantly persisted in ignoring completely the attempts of the Association of Technical Employees to foster collective bargaining in the industry, although all companies are members of the Canadian Construction Association which supported the recommendation of the Joint National Conference of the Construction Industry that collective agreements be made with employees.

The Minister of Labour, the Hon. N. McLarty, and Mr. Tom Moore, president of the Trades and Labour Congress of Canada, which chartered the Association of Technical Employees, have been kept informed by the Association of its attempts to persuade the companies named in this application to co-operate in effectuating the labour policy enunciated in Order in Council P.C. 2685.

APPENDIX 2

November 3, 1941.

Deputy Minister of Labour,
Dr. BRYCE M. STEWART,
Ottawa, Ont.

DEAR DOCTOR: May I call to your personal attention an application made to your department by the Association of Technical Employees for a board of conciliation and so far the failure of the Department to act on the application.

The Association of Technical Employees is affiliated with the Trades and Labour Congress of Canada. It is the one and only organization engaged in drafting for construction, tanks, metal containers, bridges and boats.

In the structural drafting group, there are approximately 150 men in the Province of Ontario and about 100 men in the Province of Quebec, and of these men in the Province of Ontario, 90 per cent belong to the Association. The Association is not so strong in Quebec, where there is only one large employer.

The Association is comparatively young. It commenced its operations in 1937, and in Ontario it has done very well as it has enrolled practically all the men in the group.

There are parallel associations in Great Britain where 17,000 men belong to the union which is a member of the British Labour Federation. In the United States there is a Federation of Architects, Chemists, Engineers and Technicians, which is the recognized body representing the men and having many agreements with employers.

It is the desire of this Association to co-operate in every way with the employers and the government in forwarding the war effort.

There is no dispute with regard to wages.

There is a dispute with regard to other conditions such as hours of labour, distribution of time, grievance committee and various other such associated matters. The Association presented to the employers a collective bargaining agreement, but so far have been unable to secure any response by way of negotiations. Accordingly the Association took the usual strike vote and went through the formalities of an application to your Department for a board of conciliation. This you have neither definitely granted nor refused. On August

the 4th, your Mr. G. H. Brown acknowledged receipt of the application saying that the application is before the Minister for consideration and "is being taken up with the employers concerned."

On August 19, 1941, your Mr. M. S. Campbell wrote as follows:—

In the meantime, there is some doubt as to whether the classes of employees covered by the application come within the Industrial Disputes Investigation Act. The Department of Justice has been asked to furnish authoritative advice on the subject and we shall communicate with you further in the matter when this is received.

On September 19, 1941, your Mr. G. H. Brown wrote that "employee" as defined in the Industrial Disputes Investigation Act means—

"any person employed by an employer to do any skilled or unskilled manual or clerical work for hire or reward in any industry to which this act applies.

and then he continued—

On the basis of the information which has been received our view is that on the whole the class of service involved in this dispute does not come within the definition and consequently a board of conciliation and investigation cannot be established.

You will observe that no further reference is made to an opinion by the Department of Justice. Moreover, the letter does not state the why of his decision in what manner are the men who work for the Structural Steel Company making designs and blue prints for hire outside the words of the Statute. They are certainly hired by an employer to do skilled manual or clerical work, and they are in industry to which the Act applies.

Now what is the effect of a decision by the Department of Labour refusing the Board? It means that as the Association is outside of the Act, the limitations of the Act do not apply, and these 100 or 200 men who have 75 per cent of the structural steel work in Canada since the war broke out, are quite free to call a strike at any time they so desire. The fact that they do not desire to strike is incidental only to the legal position. From what we know of groups of men with grievances which they wished redressed, it is not unlikely that the time will arrive when they will strike, if all other avenues are closed against them and employers treat them with contempt. I am not speaking about these men particularly, but such a view is not unsupported in your experience and in mine.

You may remember that Mr. Tom Moore, president of the Trades and Labour Congress of Canada telephoned you personally, registering a protest against the refusal of this application, and later made reference to the matter in a speech delivered in Calgary.

I am not writing to you as the solicitor for this Association. That position is occupied by Mr. Bora Laskin, Professor of Law at the University of Toronto. I am writing this as a member of parliament, representing a constituency largely interested in labour and what I ask is that you give this matter your personal thought and consideration, and I would be glad to know if I am mistaken in any of the views that I have expressed.

May I have the honour to hear from you.

Faithfully yours,

A. W. ROEBUCK, K.C., M.P.,

Member for Toronto-Trinity.

PORT ARTHUR AND FORT WILLIAM TRADES AND LABOUR COUNCILS

Memorandum re Labour-Industry-Government Relations

To: The National War Labour Board,
Ottawa, Ontario.

GENTLEMEN:

We, of the Port Arthur and Fort William Trades and Labour Councils, join with labour throughout Canada to welcome and to give our wholehearted approval to the decision of the National War Labour Board to conduct an inquiry into matters affecting labour-industry-government relations.

Such an inquiry, when conducted publicly so as to permit the broadest possible participation of all, unquestionably will provide the Board and the government with a realistic picture of the immense problems to be solved in this sphere, as well as the necessary steps to effect their solution. The only thing to regret is the fact that some steps along these lines have not been taken much earlier. We earnestly hope that the work now under way will lay the basis for far-reaching, necessary, and long overdue changes in the labour policy of our Dominion Government.

So much has been said already by labour about the trouble-provoking state of affairs existing, that there should be no need for repetition of what by now ought to be clear beyond doubt. All the way up to the outbreak of war, Canada remained far behind other nations in respect to needed social legislation in many spheres. One of these was labour-industry relations. Organized labour has not yet been full recognized. The anti-union attitude which is to be found all too often in our country belongs to a distant past. It has no place in an enlightened, industrially advanced, modern community. Only the most selfish and anti-social elements can continue to deny that trade unions are a most constructive force in our industrial life. To-day, our trade union movement plays a key role in the development and organization of all-out production for total war to save civilization and progress. It is not only reasonable to ask, but it is proper to demand that labour be accorded its rightful place in both the formulation and administration of government policy in all matters affecting labour and industry.

Following the outbreak of war, the Dominion Government principles and policy with respect to labour have been enunciated through wartime regulations which were superimposed upon a nation that never to this very day has yet officially and fully recognized the fundamental rights of labour. As a consequence, all these regulations reflected much unclarity and were of a character that permitted much abuse and evasion in their practical application.

The principal feature that must be considered in our labour-industrial relations is the basic and fundamental rights and needs of the human factor in production, which is labour.

The rights of labour need proper legislative expression, not only on a provincial scale as already recognized by a number of provincial governments, but on a dominion basis. Such legislation must first of all firmly establish the two major principles which organized labour has been seeking from both federal and provincial governments—compulsion on an employer to bargain with a labour organization which is the choice of the majority of his employees; and recognition that an employer-dominated employee organization denies employees the freedom of self-organization and cannot represent their free choice of a bargaining agency.

Legislation of this kind, establishing the right to free, collective bargaining, as well as establishing needed machinery for its proper enforcement, is a much needed step to be taken now both in the interests of development of proper

labour-industry relations to further all-out war production, as well as to meet peacetime requirements. Consequently, this problem is not of a temporary character that can be solved by "regulations for the duration" only; but should be considered as one worthy of a more permanent solution through the enactment of a National Labour Relations Act for Canada. Such a step would engender confidence, a strong moral factor for winning the war.

The needs of labour, which should have been given primary consideration in any policy aimed at developing all-out production, were sadly ignored or neglected by the Government when it embarked upon its anti-inflation program. The Wartime Wages Control Order as now in effect through P.C. 5963, has left out of account such important problems as sub-standard wages and inequalities in Canadian industry. The machinery established for purposes of administration of wartime regulations as well as for conciliation of industrial disputes has proved unequal to the task before it. Cumbersome procedure with much red tape and unnecessary delays has placed uncalled for trials upon labour's patience and has tended to adversely affect worker's morale.

In our part of Canada, labour is well over sixty per cent organized into unions of its own choice. The relations between labour and management have been good on the whole; but with the war have come problems which have tended to disrupt these relations.

There can be no reflection on the sincerity and patriotism of organized labour in this regard. Here, as everywhere, labour accepts its responsibilities in all seriousness and with a firm determination to help mobilize every ounce of energy and material resources necessary to secure victory for us and our allies over the enemies of civilization. It is precisely because of this desire that we view with considerable apprehension what may be described as an approaching crisis in labour relations at this time.

To get to the root of the problem it is necessary to review the extent to which the present government policy has contributed to wide misunderstanding and dissatisfaction among workers. It is impossible to agree with the position taken that reasonable increases in wages will automatically result in inflation of prices. Even if this were partially true, it would be no justification for the drastic regulations incorporated in the government's wartime wage control legislation. No steps as yet have been taken in Canada to guarantee to Canadian workers a reasonable minimum wage in all industry. A large percentage of workers who were receiving substandard wages have had their wages frozen at these substandard levels. No arguments about the dangers of inflation can possibly justify such action, particularly where workers are earning less than \$25 per week or 50 cents per hour. It seems to us that up till now the main argument against adjustment of basic wage rates to bring about proper and uniform standards throughout the nation has been the contention that such wage increases will result in inflation.

Similarly, with the cost-of-living bonus. The emphasis of control seems to be placed on the cost-of-living index rather than on the actual cost of living. While this policy has tended to put a tight squeeze on labour's income, it has at the same time led to the payment of large subsidies and subventions to industry, resulting in additional taxation. At the same time tax concessions have often-times been granted to big business corporations, a fact which can be easily established as having worked to the greatest disadvantage of the workers, for in their case there has been no sign of a liberal interpretation of wartime needs and regulations.

For example: Last year one big company at the Head of the Lakes received a special tax concession under the War Exchange Conservation Act of 1940, through an agreement between the company and the government. Under the provisions of this agreement the company was to carry out remodelling and

expansion of plant in order to enter into contracts for sale of products for United States dollars of as much as possible of its added output. For taxation purposes the agreement provided for a special depreciation allowance amounting to one-third of the cost of new depreciable assets during each year of the years 1941, 1942 and 1943. It was estimated that the changes in this plant mentioned in the agreement would bring in about one million dollars per year in added income. It was stated by the company concerned that they could not see the way clear to carry out the expansion without tax concessions because of the "risks" involved in price fluctuations and the probable disappearance of the market after the war. This same company has now reported a new profit of \$591,856,000 after depreciation, bond interest, taxes, and other charges, for the year 1942. At the same time a reduction was shown in the working capital of from \$2,652,000 to \$1,101,000.

It has been quite a common practice in government policy to assist industry through various means, such as:

1. Use of special depreciation allowances permitting plants to be written off more rapidly than otherwise would be the case.
2. Guaranteeing of bank loans to allow new development and construction.
3. Granting of special tax credits, permitting cost of expansion as a tax rebate over a period of years.
4. Government financing of plant erections, subsequently handed over to private interests for operation.

We feel justified in making a comparison between this liberal attitude exemplified in government policy toward big business and the rigid enforcement of wage ceilings with regards to labour. At the same time costs are being brought down by organizations, efficiency, and repetition, as mentioned recently by the Minister of Munitions and Supply, the Honourable C. D. Howe.

No one will deny that labour has played a great role in helping to bring about this increased efficiency in industrial output and organization. When the government, in order to hold down the cost-of-living index, subsidizes manufacturers and importers on certain commodities, the cost of these subsidies, of course, is met by taxes largely collected from the workers. These public funds are taken and used to control earnings and may indeed bring about a decrease in the existing meagre cost-of-living bonus paid to workers. Moreover, the cost-of-living index does not properly represent the actual cost of living as can be seen from the following figures:—

AVERAGE PRICES PREVAILING IN PORT ARTHUR AND FORT WILLIAM ON
42 STAPLE COMMODITIES

Item		Jan. 1930	Jan. 1941	May 1943
Bread.....	24 oz. loaf.....	.07	.07	.09
Butter.....	1st Grade per lb.....	.27	.36	.36
Milk.....	Fresh, per quart.....	.11	.12	.11
Canned Milk.....	3 cans.....	.18	.23	.30
Eggs.....	Grade A large.....	.29	.29	.42
Canadian Cheese.....	per lb.....	.18	.22	.35
Sugar.....	per lb.....	.05½	.06¾	.07
Flour.....	98 lb. bag.....	2.65	2.90	2.95
Tea.....	Good grade, per lb.....	.72	.82	.89
Coffee.....	Medium grade, per lb.....	.35	.47	.53
Rolled oats.....	per package.....	.12½	.16	.19
Package Cereals.....	per package.....	.07	.08	.10
Corn Syrup.....	2 lbs.....	.18	.22	.48
Jams.....	2 lbs.....	.23	.28	3 lbs. .45
Shortening.....	per lb.....	.11	.13	.18
Crisco Shortening.....	per lb.....	.20	.18	.27

AVERAGE PRICES PREVAILING IN PORT ARTHUR AND FORT WILLIAM ON
42 STAPLE COMMODITIES—*Concluded*

Item		Jan. 1930	Jan. 1941	May 1943
Canned Soups.....	per tin.....	·10	·12	·13
Canned Tomatoes.....	per tin.....	·11	·13½	·14
Macaroni.....	5 lbs.....	·25	·29	·30
Rice.....	per lb.....	·08	·10	·12
Canadian Sardines.....	per tin.....	·04½	·06	·07
Prunes.....	per lb.....	·10	·12	·17
Laundry Soap.....	per bar.....	·04	·04½	·05
Canned Veggies.....	per tin.....	·09	·10	·14
Canned Fruits.....	per tin.....	·12	·16	·26
Potatoes.....	Old per lb.....	·02	·02	·04
Onions.....	per lb.....	·02½	·04	·07
Carrots.....	Old per lb.....	·02½	·02½	·06
Apples.....	per lb.....	·05	·05	·10
Oranges.....	per dozen.....	·15	·25	·48
Meats, Beef, Hip or rump roast	per lb.....	·18	·23	·37
Rolled rib per lb.....		·15	·20	·35
Shoulder per lb.....		·09	·16	·27
Sausage per lb.....		·10	·12	·22
Veal, Leg roast per lb.....		·20	·24	·30
Stew meat per lb.....		·10	·12	·18
Pork Chops per lb.....		·22	·25	·38
Spareribs per lb.....		·10	·12	·22
Pork Sausage per lb.....		·17	·18	·25
Lamb Stew per lb.....		·15	·15	·28
Bacon per lb.....		·25	·30	·50
Roasting Chickens per lb.....		·20	·27	·40
		8·90½	10·45¼	13·69

Approximate increase in January, 1941, over January, 1939—17½%.

Approximate increase in May, 1943, over January, 1939—51½%.

These figures are based on retail prices in the cities of Port Arthur and Fort William over the period stated and may be compared with the prices as reported in the *Labour Gazette* which constitute, we believe, the figures upon which the cost-of-living index number is based.

We believe that the policy outlined in the foregoing places certain corporations and employers in a much more favourable position, while the workers are left in many instances with less than an ordinary living wage.

At the same time we do not wish to give the impression that we consider a living wage as the governing factor in determining what the rates of pay should be. We believe the worker should have the same right as any other person to save up a few dollars for emergency, for future maintenance of himself and his family, and for old age. This is the principle which is recognized in theory through the policy of compulsory savings and the appeals to labour to buy Victory bonds, all of which is very well and good and a step in the right direction providing the worker is given the means by which he not only can maintain himself from day to day, but may also possibly save a few extra dollars. It is difficult to see where such savings come in in the carrying out of the present wartime wage regulations.

The danger of inflation is not to be found in the payment of a proper remuneration to labour for work performed, but rather in a failure to so organize our production as to achieve the absolute maximum utilization of all resources, manpower and industrial equipment, and to make improvements to ensure the maximum output of war materials and consumer goods needed to maintain health and efficiency.

At the same time it appears to us that big business should be adequately taxed to prevent huge accumulations of profits both in a material and liquid

form, and thus lift a burden off the workers and permit them to save more to provide a much needed reservoir of purchasing power for post-war years. In this way labour would be able to take over a much greater share of war bonds than is presently possible. This would tend to distribute rather than to concentrate buying power for the future. If such a policy were followed up by strictly enforced price control and absolute over-all rationing, with emphasis on production of only the most essential commodities to meet wartime requirements, we would probably be much closer to finding a solution for our most basic problems in Canada to-day.

At the present time there are very few industries in our district where workers are receiving a full cost of living bonus. Many inequalities exist with respect to basic rates and we submit that these problems constitute a main source of accumulating resentment of our industrial workers at a time when they should be inspired with confidence and greater enthusiasm to speed up production for a victorious offensive.

The Port Arthur shipyard employees have already placed their case before the Board with respect to wage rates and cost-of-living bonus. Many other industries are at present considering similar applications and in one instance, that of the lumber workers, the Regional War Labour Board of Ontario has been asked to investigate the conditions existing in the industry with a view to the adoption of a fair and reasonable basic rate. In this instance organized labour has proven the existence of piece work rates that permit a scandalous earning of only \$2.57 per day including board. Added to this is a service bonus of Ten Dollars per month payable only after 78 consecutive work days. When this becomes payable at the sum of Thirty Dollars all at one time, the tax rate increases to the point where eleven out of the thirty dollars are taken away in taxes. The cost-of-living bonus in this industry is sixty cents per week.

Rather than encouraging overtime and increased output, this has resulted in a definite tendency to avoid overtime and maximum effort owing to the fact that additional earnings such as are occasioned by overtime are subject to much higher taxes which, in the case of seasonal workers, of whom we have a large number in our district, become excessive.

To sum up: We would recommend the adoption of the principles contained in the submission already made by the Trades and Labour Congress of Canada, our parent body, and by other trade union central bodies. These principles are:

1. The adoption of a Federal Act, guaranteeing the right of workers to organize and bargain collectively. Such an act should cover all workers and should be accompanied by definite rules of procedure so as to avoid delay and to make possible the most expeditious handling of applications coming under its provisions.

2. Labour should be taken into greater confidence and participation in the formulation and administration of government policy.

3. Steps should be taken to bring about a national minimum wage of Twenty-five Dollars per week or Fifty Cents per hour as a floor below which no wartime wage control legislation need be operative. Moreover, steps ought to be taken to ensure the payment of such a national minimum wage as soon as possible so as to do away with inequalities and injustices existing at the present time. At the same time a policy should be adopted which would permit of a more broad interpretation of the provisions of Order in Council P.C. 5963 in cases where, by comparison with other industries, or in particular circumstances, an adjustment of basic wage rates may be necessary. Notwithstanding this, however, we maintain that matters of wages could best be left in the hands of organized labour and employers through collective bargaining, free from intimidation and interference.

4. We submit that a full cost-of-living bonus should be paid to all workers on an equal basis. If the cost-of-living bonus is to successfully accomplish its original intention, it must be exempt from taxation; otherwise it does not fully cover the increased cost of living to the worker.

5. The principle of incentive wage payments is a most commendable way of helping to increase output and to spur enthusiasm on the job.

6. Men and women workers must be put on an equal footing and paid equal wages for equal work.

7. No tax on overtime and incentive rates. It has ever been a principle of the trade union movement to discourage overtime from the viewpoint of providing employment to as many workers as possible. However, bearing in mind the present wartime necessities, labour is willing to work the maximum number of hours physically possible in the interest of maximum production for victory. At the same time, taxation of pay for overtime work does much to discourage workers from putting in longer hours, as the jump in their income taxes occasioned by overtime work, in many cases offsets the extra earnings for increased hours of work.

Respectfully submitted,

For the Port Arthur
Trades and Labour Council:

(Sgd.) D. MONTGOMERY,
President.

(Sgd.) BRUCE A. H. MAGNUSON,
Secretary.

(Sgd.) H. G. GRATTAN,
Acting Secretary.

For the Fort William
Trades and Labour Council:

(Sgd.) ALEX ANDERSON,
President.

(Sgd.) C. E. LENTON,
Secretary.

ONTARIO MINING ASSOCIATION

June 8, 1943.

The Chairman and Members,
National War Labour Board,
Ottawa, Ont.

Dear Sirs:

During the presentation of the brief of this Association to your Board on May 28, I was asked two questions relating thereto which I answered I am afraid in an incomplete manner and without the consideration given to our brief as a whole. The questions were:

1. In view of our representations against unions controlled outside of Canada what percentage of Ontario mines are owned and controlled in other countries than Canada?
2. Did I not consider the situation whereby an association of Ontario mining companies was suggesting that the workers in Ontario mines be restricted in their desire to organize on a larger scale, incongruous?

I would in the circumstances and following discussion of the matter with our directors, like to lay before you the following additional reply.

1. As an estimate which is subject to proof on examination of shareholders' records, over 60 per cent of Ontario metal mines are owned as to a majority of their shares by shareholders of Canadian registry.

Additionally all the assets of the mines including ore, earnings and cash reserves are either in Canada or under direct control of the Canadian Government. The production of the mines, distribution of assets, taxation on dividends, etc., are all directly subject to Canadian Government regulations, as is also the policy of the directors in these regards and regardless of the make-up of the personnel of the boards. As against this situation, while the assets of the trade union fees collected in Canada could be regulated, the policy of the C.I.O. type of union is controlled by foreigners and could well be prejudicial to Canadian economy. Evidence has been provided on more than one occasion when Canadian made agreements so-called are, before acceptance by the Local, subject to ratification as to their union, by union headquarters outside of Canada.

2. While throughout our brief we gave arguments against foreign controlled unions we do not I think recommend directly against the larger of any union. Our brief argues in the main that current development through men's committees, company or other small Canadian unions be encouraged and allowed to grow in an orderly fashion and not discouraged even by inference drawn through legislation or official announcements or otherwise.

We believe that a new type of publicity looking towards the tying-together of the interests of worker, employer and industry, can do much to help in this situation.

Respectfully,

Ontario Mining Association Secretary.

ADDITIONAL MATERIAL FILED BY MR. M. M. MacLEAN, DIRECTOR OF INDUSTRIAL RELATIONS, DEPARTMENT OF LABOUR, OTTAWA

Application Received by Departments of Labour for Strike Vote Pursuant to P.C. 7307 for Fiscal Year Ending March 31, 1943

Sorg Pulp Co. Ltd., Port Mellon, B.C.

File No. 1225. Application for vote made by International Brotherhood of Pulp, Sulphite and Paper Mill Workers, Local 297. Application received, June 15, 1942. Employees involved, 230. No vote taken. No strike action. Settlement: Following negotiations assisted by departmental officials an agreement was signed on July 15, 1942, by the union and the company in accordance with the board's recommendation.

Canadian Car and Foundry Co. Ltd. (Turcot Works) Montreal.

File No. 1190. Application for vote made by Aircraft Lodge 712, International Association of Machinists. Application received, July 13, 1942. Employees involved, 547. Vote taken July 24, 1942. No strike action. Settlement: Board was reconvened on request of the union. On October 19, 1942, a supplementary report by the board reaffirmed the original findings.

Canadian Steel Corporation Limited, Ojibway, Ont.

File No. 1228. Application for vote made by United Automobile Workers of America, Local 195. Application received, September 10, 1942. Employees involved, 90. No vote taken. No strike action. Settlement: Following lengthy negotiations assisted by departmental officials an agree-

ment was signed October 1, 1942, effective for one year, providing for union recognition, grievance procedure, etc.

Canadian Bridge Co. Ltd., Ojibway, Ont.

File No. 1226. Application for vote made by United Automobile Workers of America, Local 195. Application received, September 11, 1942. Employees involved, 500. No vote taken. No strike action. Settlement: Following lengthy negotiations assisted by departmental officials an agreement was signed October 1, 1942, effective for one year, providing for union recognition, grievance procedure, etc.

Granby Consolidated Mining, Smelting and Power Co. Ltd., Princeton, B.C.

File No. 1213. Application for vote made by United Mine Workers of America, Local 7875, District 18. Application received, October 13, 1942. Employees involved, 90. No vote taken. Strike action: Four unauthorized strikes of short duration took place between October 1, 1942, and November 12, 1942, but official strike vote by the department was not taken since parties were in negotiation. Settlement: Negotiation finally resulted in an agreement being signed effective for one year from November 1, 1942, providing recognition of the union, check-off, and settlement of grievances penalties for absence from work.

Princeton Tulameen Coal Co. Ltd., Princeton, B.C.

File No. 1214. Application for vote made by United Mine Workers of America, Local 7875, District 18. Application received, October 13, 1942. Employees involved, 83. No vote taken. No strike action. Settlement: Negotiation finally resulted in an agreement being signed effective for one year from November 1, 1942, providing recognition of the union, check-off, and settlement of grievances penalties for absence from work.

Tulameen Collieries Ltd., Princeton, B.C.

File No. 1215. Application for vote made by United Mine Workers of America, Local 7875, District 18. Application received, October 13, 1942. Employees involved, 25. No vote taken. No strike action. Settlement: Negotiation finally resulted in an agreement being signed effective for one year from November 1, 1942, providing recognition of the union, check-off, and settlement of grievances penalties for absence from work.

The Riverside Iron Works, Ltd., Calgary, Alta.

File No. 1287. Application for vote made by The International Moulders and Foundry Workers Union of North America, Local 360. Application received, December 24, 1942. Employees involved, 86. No vote taken. No strike action. Settlement: On January 27, 1943, the department was advised by Mr. F. E. Harrison, western representative, that an agreement had been signed between the parties concerned without the necessity of a strike vote.

Brantford Coach and Body Limited, Brantford, Ont.

File No. 1246. Application for vote made by United Automobile Workers of America, Local 297. Application received, February 19, 1943. Employees involved, 375. No vote taken. Strike action: Unauthorized strike occurred on February 17-18, 1943. Settlement: Mediation efforts of Ontario Department of Labour were unsuccessful and dispute was referred to Commissioner B. Rose on July 10, 1942, and he reported on July 20 that he had been unable to effect settlement and recommended a board. On November 23, 1942, the union advised the department that the report of the board was not acceptable. On March 31 strike ballot prepared and forwarded Mr. L. Fine. On April 9, 1943, it was agreed that representation vote be taken during week of May 24, 1943, and application for strike vote was accordingly withdrawn.

Appointments of Industrial Disputes Inquiry Commissioners to Investigate Allegations of Dismissal for Union Membership or Activity for the Fiscal Year ending March 31, 1943.

- Appointed or authorized, December 8, 1942. Company involved: Johnson Woolen Mills, Limited, Waterville, P.Q. Union involved: Plant union. Number of dismissals involved in cases investigated, 2. None reinstated voluntarily. None reinstated by order of the Minister. Number found dismissed for cause, 1. Number found dismissed for economic reasons, 1. None leaving employment of own accord. No remarks.
- Appointed or authorized, January 29, 1943. Company involved: Schultz Die Casting Co. of Canada, Ltd., Wallaceburg, Ont. Union involved: Local 251, U.A.W.A. Number of dismissals involved in cases investigated, 9. None reinstated voluntarily. Number reinstated by order of the Minister, 3. Number found dismissed for cause, 6. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.
- Appointed or authorized, March 24, 1943. Company involved: J. Ford Co. Limited, Portneuf Station, P.Q. Union involved: Nat. Cath. Union of Paper Workers of Portneuf Stn. Number of dismissals involved in cases investigated, 12. None reinstated voluntarily. None reinstated by order of the Minister. None found dismissed for cause. Number found dismissed for economic reasons, 12. None leaving employment of own accord. No remarks.
- Appointed or authorized—. Company involved: Canadian Car & Foundry Co., Ltd., Fort William, Ont. Union involved: Lodge 719, I.A.M. Number of dismissals involved in cases investigated, 1. Number reinstated voluntarily, 1. None reinstated by order of the Minister. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. Remarks: This employee was re-engaged by the employing company on basis that he was to be considered as a new employee.
- Appointed or authorized, August 31, 1942. Company involved: Dominion Bridge Co. Ltd.; Manitoba Bridge & Iron Works, Ltd.; and Vulcan Iron Works, Ltd., Winnipeg, Man. Union involved: Lodge 646, I.A.M., Local 126, I.B.B.I.S.W.H.A., Local 174, I.M. & F.W., & Local 565, I.B.D.F. & H. Number of dismissals involved in cases investigated, 45. None reinstated voluntarily. None reinstated by order of the Minister. None found dismissed for cause. Number found dismissed for economic reasons, 45. None leaving employment of own accord. No remarks.
- Appointed or authorized, September 14, 1942. Company involved: The De Havilland Aircraft of Canada, Ltd., Toronto, Ont. Union involved: Local 112, U.A.W.A. Number of dismissals involved in cases investigated, 3. None reinstated voluntarily. Number reinstated by order of the Minister, 2. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.
- Appointed or authorized, September 19, 1942. Company involved: London Concrete Machinery Co. Ltd., London, Ont. Union involved: Local 2470, U.S.A. Number of dismissals involved in cases investigated, 2. None reinstated voluntarily. None reinstated by order of the Minister. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. Remarks: Found other employment, no desire to enter re-employment of company.

- Appointed or authorized, October 5, 1942. Company involved: Canada Paper Co., Windsor Mills, P.Q. Union involved: Nat. Cath. Union of Canada Paper Co. Employees. Number of dismissals involved in cases investigated, 1. None reinstated voluntarily. None reinstated by order of the Minister. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. Remarks: It was decided to refer dismissal to board.
- Appointed or authorized, August 27, 1942. Company involved: Taylor Electric Mfg. Co. Ltd., London, Ont. Union involved: Local 317, U.E.R. & M.W. Number of dismissals involved in cases investigated, 1. None reinstated voluntarily. Number reinstated by order of the Minister, 1. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.
- Appointed or authorized, October 22, 1942. Company involved: Leeders, Ltd., Winnipeg, Man. Union involved: Lodge 646, I.A.M. Number of dismissals involved in cases investigated, 3. None reinstated voluntarily. None reinstated by order of the Minister. Number found dismissed for cause, 3. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.
- Appointed or authorized, September 1, 1942. Company involved: Border Cities Industries, Ltd., Windsor, Ont. Union involved: U.A.W.A. Number of dismissals involved in cases investigated, 18. Number reinstated voluntarily, 3.* Number reinstated by order of the Minister, 5. Number found dismissed for cause, 6. None found dismissed for economic reasons. Number leaving employment of own accord, 5. Remarks: *One of those was found dismissed for cause.
- Appointed or authorized, May 30, 1942. Company involved: M. J. Viau & Sons, Ltd., St. Jerome, P.Q. Union involved: Int. Moulders & Foundry Workers. Number of dismissals involved in cases investigated, 6. None reinstated voluntarily. None reinstated by order of the Minister. None found dismissed for cause. Number found dismissed for economic reasons, 6. None leaving employment of own accord. No remarks.
- Appointed or authorized, October 15, 1942. Company involved: Victoria Machinery Depot, Victoria, B.C. Union involved: United Brotherhood of Carpenters and Shipwrights. Number of dismissals involved in cases investigated, 7. Number reinstated voluntarily, 7. None reinstated by order of the Minister. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.
- Appointed or authorized, August 18, 1942. Company involved: H. Walford, Ltd., Montreal, P.Q. Union involved: Local 21, I.M. & F.W.N.A. Number of dismissals involved in cases investigated, 2. Number reinstated voluntarily, 2. None reinstated by order of the Minister. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.
- Appointed or authorized, March 9, 1943. Company involved: John Inglis Co., Toronto, Ont. Union involved: Local 2900, U.S.A. Number of dismissals involved in cases investigated, 1. Number reinstated voluntarily, 1. None reinstated by order of the Minister. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.

Appointed or authorized, December 15, 1942. Company involved: Canada Illinois Tools, Co., Toronto, Ont. Union involved: U.E.R.M.W.A. Number of dismissals involved in cases investigated, 1. None reinstated voluntarily. None reinstated by order of the Minister. Number found dismissed for cause, 1. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.

Appointed or authorized, March 8, 1943. Company involved: Research Enterprises, Limited, Toronto, Ont. Union involved: Assn. of Technical Employees. Number of dismissals involved in cases investigated, 1. Number reinstated voluntarily, 1. None reinstated by order of the Minister. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. Remarks: Following formal hearings, the commissioner, by joint consent of the parties withdrew from his commission and acted in the capacity of mediator.

Appointed or authorized, March 20, 1943. Company involved: Yarrows, Limited, Victoria, B.C. Union involved: Assn. of Journeymen Plumbers & Steamfitters of N.A. Number of dismissals involved in cases investigated, 2. Number reinstated voluntarily, 2. None reinstated by order of the Minister. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.

Appointed or authorized, March 23, 1943. Company involved: Galt Metal Industries, Galt, Ont. Union involved: U.S.A. Number of dismissals involved in cases investigated, 2. Number reinstated voluntarily, 2. None reinstated by order of the Minister. None found dismissed for cause. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.

Appointed or authorized, March 16, 1943. Company involved: Underwood, Elliott Fisher, Lt. Union involved: U.E.R.M.W.A. Number of dismissals involved in cases investigated, 3. Number reinstated voluntarily, 2. None reinstated by order of the Minister. Number found dismissed for cause, 1. None found dismissed for economic reasons. None leaving employment of own accord. No remarks.

Appointed or authorized, March 12, 1943. Company involved: Canadian Marconi Co., Montreal, P.Q. Union involved: I.B. of E. W. Number of dismissals involved in cases investigated, 15. None reinstated voluntarily. Number reinstated by order of the Minister, 1*. Number found dismissed for cause, 1. Number found dismissed for economic reasons, 13. None leaving employment of own accord. Remarks: *Employer refused to obey order of Minister, which led to the amendment of P.C. 4020 to provide penalties for non-compliance.

Appointed or authorized, November 10, 1942. Company involved: Taylor Electric Mfg. Co., Limited. Union involved: U.E.R.M.W.A. Number of dismissals involved in cases investigated, 20. Number reinstated voluntarily, 1. None reinstated by order of the Minister. None found dismissed for cause. Number found dismissed for economic reasons, 19 (See Remarks). Remarks: It was agreed between the two parties that all charges of discrimination were to be withdrawn, and the company would pay all other employees, who alleged discrimination, for time lost.

In reading the above, it must be remembered that many cases of alleged discrimination for union membership and activity undergo a preliminary investigation by Industrial Relations officers in order to determine if an

investigation by an Industrial Disputes Inquiry Commissioner is warranted by the circumstances. Very often the Industrial Relations officers succeed in effecting a settlement which renders unnecessary an investigation by a commission. In many other cases, the Industrial Relations officers find that the allegations are not founded in fact and that an investigation by a commissioner is not warranted. These cases are not shown here.

MEMORANDUM SUBMITTED BY THE UNITED MINE WORKERS OF AMERICA,
DISTRICT 26, TO THE NATIONAL WAR LABOUR BOARD, JUNE 18, 1943

Mr. Chairman and Members of the Board:

It is not necessary for the United Mine Workers of America, District 26, to present to you any elaborate submission on the general questions set forth in the chairman's initial memorandum. Our views on these have already been very fully presented by the Canadian Congress of Labour and the Co-operative Commonwealth Federation, with both of which our District is affiliated, and whose submissions we hereby formally and emphatically endorse.

There are, however, a number of special considerations which we wish to draw to your attention.

1. *Collective Bargaining*

The question of union recognition has long since ceased to be a problem in the Nova Scotia coal industry. The United Mine Workers of America, District 26, has for many years been recognized by the employers as the collective bargaining agency for all workers in and about the collieries. For many years also we have had the check-off of union dues by the employers. Both these rights are now guaranteed by acts of the Nova Scotia Legislature. It might appear, therefore, that as far as collective bargaining is concerned, the situation in our industry leaves nothing to be desired. Actually, though the principle of collective bargaining is conceded, the operation of the machinery for collective bargaining and the settlement of disputes is hampered by a number of factors:

(a) *Absentee Management.*—The largest employer in the industry, controlling about four-fifths of the total production, is the Dominion Steel and Coal Corporation. The executive offices of this corporation are in Montreal. Half of its fourteen directors, including the president, live in Montreal. Two more live in Toronto, one in Halifax, and three outside of Canada altogether. Only one, the vice-president and general manager, lives in the neighbourhood of the coal fields. Far too many questions have to be referred to Montreal for decisions by people with no real knowledge of the industry or of the coal mining communities.

This situation is aggravated by the fact that within the coal mining areas themselves authority is far too much centralized in the head offices of the operating subsidiaries of the corporation. Small disputes which could and should be easily and quickly settled at the local level are referred to higher officials, and the resulting delay and irritation tend to magnify the difficulties and widen the differences between the parties. A large proportion of the local stoppages which receive so much publicity in the press of central Canada are directly attributable to this cause, and in the aggregate the loss of production is considerable. Most of this loss could be avoided by giving local management more authority, and referring to head office only matters of substantial importance.

(b) *Long Standing Distrust of the Employer by the Employees.*—In spite of the fact that the union has long been formally recognized by the corporation and its predecessors, the history of employer-employee relations in the Nova Scotia coal industry has been anything but happy. Recognition of the union in the first place came only after a bitter struggle, and the employers' attitude on many occasions since has been one of grudging toleration of an inescapable evil, rather than cordial acceptance of a constructive factor in the industry. Like many other Canadian employers, and Canadian governments, in their dealings with labour, the Dominion Steel and Coal Corporation and its predecessors have failed to realize that "he gives twice who gives quickly". Even the simplest concessions on points of procedure have too often been made only under pressure and after considerable delay.

A conspicuous example of this occurred only this spring. When the contracts between the Corporation's operating subsidiaries and the United Mine Workers of America, District 26, came to an end, the union asked that they should be replaced by a single contract for all the mines controlled by the corporation, and that this blanket contract should be negotiated not only with the district executive but with the Wage Scale Committee. The single, blanket contract had been the custom for some years prior to 1932, when the financial difficulties of the Nova Scotia Steel and Coal Company led to the adoption of separate contracts for its mines, with lower rates than those in the Dominion Coal Company. This year, however, rates in the Nova Scotia Steel and Coal Company's mines were levelled up to those prevailing in the Dominion Steel Company, and the only valid reason for separate contracts had accordingly disappeared. The corporation had everything to gain and nothing to lose by doing the whole job at once, instead of making three bites of a cherry. None the less, it at first flatly refused to agree to joint negotiations, and ultimately gave in only under pressure from the Dominion Department of Labour.

Similarly with the union's demand that the Wage Scale Committee should take part in the negotiations. This has long been the standard practice in the United States coal industry, where it seems to have worked well. There is good reason to believe that its adoption in Nova Scotia would produce very substantial advantages both for the employer and the public. It is no secret that one of the difficulties in the industry in the past has been a feeling among the men that any contract negotiated by the district executive alone was insufficiently representative of the wishes of the rank and file of the miners. At times, indeed, the men simply refused to ratify such contracts, leaving the industry in turmoil. There can be no doubt at all that a contract negotiated by the district executive with the help of direct representatives of the rank and file chosen expressly for that purpose would have a far better chance of being accepted and lived up to than one negotiated by the executive alone. Yet here again the corporation at first refused the union's demand, and finally gave in only under government pressure.

(c) *Complexity of the Corporation's Financial Structure, etc.*:—One of the essentials of effective and responsible collective bargaining, we submit, is that union leaders should be adequately informed of the financial position of the employer or employers with whom they are to negotiate. In the Nova Scotia coal industry this essential has long been almost completely lacking. At the present time, for example, the Nova Scotia Steel and Coal Company (Dominion Steel and Coal's subsidiary in control of the Acadia and Old Sydney collieries) publishes no financial reports at all. Dominion Coal Company publishes no figures of profits before income and excess profits taxes, though (as officially recognized by the United States National War Labour Board in the "Little Steel" case) it is profits *before* taxes which are the relevant figures in wage determination. With taxes at their present level, this point is of great importance.

Even apart from this consideration, however, the figures of profits after taxes are of doubtful value from the union's point of view, for three reasons:

(i) The Dominion Coal Company's depreciation and depletion policy appears to be very erratic. Leaving out of account the abnormal years 1933 and 1941, the annual provision for these purposes has varied from 1·8 per cent, of the value of properties in 1935 to 5·3 per cent in 1940, with 1937 and 1942 at 2·6 per cent. There may or may not be good reason for this. But in the absence of explanation, the miners suspect that profits are being, or have been, smuggled out of their reach under the guise of depreciation and depletion.

(ii) The union has no means of knowing whether, or how far, the profits of the coal mines are being reduced by sales of coal to other constituents of the corporation at less than fair commercial prices. The Royal Commission of 1926 found that this practice had prevailed extensively for many years prior to that date.

(iii) During the past fifteen years, the Dominion Steel and Coal Corporation and its predecessors have bought up a large number of firms in various parts of Canada. In most cases the union does not even know how much these firms cost, let alone whether they were worth the price, or who got the purchase money. Many of the miners suspect, however, that money which should have been available for wages has in fact been siphoned off in this way. This suspicion may be unjustified; but it exists, and will continue to exist until the corporation removes the reason for its existence by providing the men with a clear and satisfactory explanation of these transactions.

The Royal Commission of 1926 said plainly that the miners were entitled to full information in regard to the corporation's financial position. Such information has not been forthcoming. That fact is in no small degree responsible for the unrest which prevails in Nova Scotia coal industry. Until the commission's recommendation on this point is carried out, orderly industrial relations in the coal fields will be very severely handicapped.

(d) *Necessity for Uniform National Collective Bargaining Legislation:*—Collective bargaining in Nova Scotia has in the main been given security by the Nova Scotia Trade Union Act, though we are far from suggesting that that act is perfect or should be taken as a model. But collective bargaining in any province is ultimately dependent on the strength of the organized labour movement, and that movement is not provincial but Dominion-wide. Collective bargaining in Nova Scotia, therefore, can never be considered safely established while the organized labour movement in the rest of Canada is hampered by lack of legislative protection, or by inadequate protection, or by a hodge-podge of different laws in different parts of the country. Canada is one, Canadian industry is one, Canadian labour is one. Most of our Nova Scotia coal mines, for example, are owned by a corporation which carries on its varied activities in four different provinces. District 26 of the United Mine Workers of America is only one of two Canadian districts of that organization, and is (as already noted above) an affiliate of the Canadian Congress of Labour. For these reasons we strongly urge the desirability of uniform, Dominion-wide collective bargaining legislation.

2. *Worker Participation in the Determination of Working Conditions*

What we have in mind under this head can best be illustrated by two recent examples from the south Cape Breton coal field.

(a) When the opening of the new Gardiner mine was under consideration, the union urged, in the interests of safety, that the old workings, abandoned in 1893, should be pumped out and the new development started from there. The company refused. It had what it considered adequate plans of the old workings,

and contended that by keeping well clear of these workings, as shown on the plans, all danger would be avoided. A few weeks ago, at a time when there were fortunately very few men in the mine, the old workings were pierced, at a point supposed to be hundreds of feet away from their boundary. As a result, two men were drowned, and the Gardiner mine, normally producing about 1,600 tons a month, will be out of production for about six months. If the union's representations had been heeded in the first place, this disaster would never have happened.

(b) An even worse case is the recent fire in No. 12 at New Waterford. This was caused by friction on a rubber belt in a particularly low roadway. The union's mine committee had repeatedly reported that this belt was dangerous. The reports were ignored, and the inspection of this part of the mine appears also to have been neglected, doubtless because of the low roof, which made it hard for anyone to get through. By the time the fire was discovered, two men had lost their lives, and the fire had gained such headway that it was ultimately necessary to flood the mine, thus putting it out of production for at least nine months. This mine, producing about 33,000 tons a month, is one of the largest in Nova Scotia, and produces some of the best coal. The loss of this vital production, and of two human lives, is, we submit, directly attributable to disregard of the workers' advice.

Occurrences of this sort suggest that union-management production committees are urgently needed in the Nova Scotia coal mines. But we must point out that no such committees will be of the slightest use unless the management is prepared to learn from experience, and really co-operate with the union in providing conditions which will give the maximum of production and the maximum of safety. No amount of machinery for co-operation will do any good unless the will to co-operate is there.

3. *Absenteeism.*

Absenteeism in the Nova Scotia coal mines has received a great deal of publicity. We wish to state emphatically that much of what is called absenteeism is not properly absenteeism at all. Men turn out to work, find that their part of the mine is out of commission, and go home; and their absence from work is set down as absenteeism, when it is really the fault of the employer. We submit that there should be a thorough investigation of this whole question, an investigation in which we are prepared to offer every possible assistance.

We venture to predict that any thorough investigation will reveal that two of the root causes of such genuine absenteeism as does exist are the lack of vacations with pay, and the almost total absence of any genuine community life in most of the coal mining towns.

4. *Vacations with Pay.*

These are already granted to officials and clerks in the employ of the corporation and its subsidiaries. But they are denied to the ordinary mine worker, who certainly works at least as hard, and usually under much worse conditions and for much smaller pay.

The social and economic value of vacations with pay is, we submit, now scarcely open to question. Even before the war it was widely recognized that modern industry imposed upon workers a great and increasing nervous strain which made paid vacations imperative. As early as 1926, the International Labour Office estimated that some 19,000,000, or 40 per cent, of European industrial workers were receiving paid vacations, and there is little doubt that by the outbreak of the war this number had considerably increased. In 1938, the United States Bureau of Labor Statistics reported that about 3,500,000 American wage earners were receiving paid vacations, and that in manufactur-

ing the proportion was about 40 per cent of the total. Comparable figures for Canada are not available, but a sample survey by Queen's University in 1938 shows that a considerable number of Canadian wage earners also were receiving paid vacations.

Clearly, vacations with pay would never have been so widely adopted if there had not been substantial need for them, and if they had not amply proved their economic as well as their social value. That this is so, there is abundant direct evidence.

(a) During the last war, Dr. H. M. Vernon, of the British Industrial Health Board, found that in a particular firm, after a week's holiday at Easter, the index of hourly output jumped from 123 to 134, and remained at the higher level for some time; that after a further week's holiday in August, production again increased; and that after a further four days in October, and the granting of shorter hours, the index rose steadily till by Christmas it had reached 177. (*Industrial Welfare*, journal of the British Industrial Welfare Society, March 1940, p. 92.)

(b) Mr. Charles M. Mills, of Industrial Relations Counsellors, writing in 1927, reported that practically all American employers who had established paid vacations reported increased production, notably because of improvement in morale. (*MILLS: Vacations for Industrial Workers*, Ronald Press, 1927, pp. 22 and 236 and following.)

(c) In 1938, the British Government appointed a large and representative committee on vacations with pay, under the chairmanship of Lord Amulree. Witnesses for the Trade Union Congress appearing before this committee testified as follows:

The necessity to allow to all employed persons regular periods during which they may be free from their normal employment is as generally and fully admitted as the necessity for all persons to rest periodically from all activity. Briefly, the main part of the general case for annual holidays with pay in that regular annual holidays are an integral part of those admittedly necessary regular periods of freedom from daily toil, commonly described as periods of leisure. The need for leisure springs in part from the need to recover and sustain normal fitness, but in part also, it springs from the need for employed persons for opportunities to engage in activities and pursuits more satisfying to their individual inclinations than the daily routine usually associated with earning a living . . . From ordinary experience it seems to us indisputable that an employed person requires at least once in each year a complete and sustained break from the performance and environment of his normal occupation. Commercial and professional people and the well-to-do sections of the community have long enjoyed such facilities as a matter of course. The working class has not, unfortunately, as a general rule, possessed such an advantage. . . . Consistent failure to take extended rest and recreation, free from the imminence of work and worry, must, sooner or later, be reflected in lowered vitality and ill health. . . . It will hardly be disputed that opportunities for holidays ought not to be accompanied by loss of income. . . . Leisure without income, in fact, is more often an occasion for added strain and a cause of deterioration than an opportunity for recreation and development.

The committee's report, made after a very thorough investigation, noted the Trade Union Congress' evidence on the additional nervous strain of modern industry, and concluded that vacations with pay "contributed in a considerable measure to work-people's happiness, health and efficiency". (*Amulree Report*, Cmd. 5724 of 1938, p. 55.)

(d) Since the outbreak of the present war, there has been a growing realization of the importance of health and morale in production, and authoritative pronouncements on the value of paid vacations have become even more emphatic than before. The article in *Industrial Welfare* for March, 1940, already quoted, declared that the extra strain resulting from the war made vacations even more necessary, to rebuild vitality, both mental and physical. Mr. R. R. Hyde, writing in the same journal in May, 1940, stressed the same point, adding: "Indeed, it can be stated without exaggeration that it is the duty of the workers, wherever it is possible, to get away during the summer for a much needed rest." (*Industrial Welfare*, May, 1940, p. 177.) The British *Ministry of Labour Gazette* for May, 1941, announced that the government favoured observance of the provisions for vacations with pay. In March, 1942 (p. 62) it declared: "In order that the national effort may be continued at the *fullest stretch*, it is *essential* that moderate and well-planned holiday breaks should be allowed." (*Italics ours.*) Or, as *Industrial Welfare* for April, 1942, put it, there were 20,000,000 workers in Britain who had "earned a holiday. The Industrial Health Research Board has said they ought to have it. The government has said they *are* to have it—at least one week, and three long spring and summer week-ends." Similarly, eight United States government agencies (the Labour, War, Navy and Commerce Departments, the Public Health Service, the Maritime and War Manpower Commissions and the War Production Board) in August, 1942, declared: "The policy of providing opportunity for restoration of energy of employees by a vacation period away from the job is demonstrated to be conducive to sustained production and is even more sound under emergency conditions of industry to-day than in peacetime." (*Labour Information Bulletin* of the United States Department of Labour, August, 1942.)

We recognize, of course, that workers in Britain are under greater strain than workers in Canada (though British workers have far more say in determining their wages and conditions of work than most Canadian workers). We recognize also that the whole question is complicated by the present shortage of manpower. On the other hand, the necessity for maximum, sustained production is even more pressing in Britain than it is here, so that if Britain finds it possible to provide for vacations with pay, Canada should find it at least equally possible. As for shortage of manpower, that problem is at least as acute in Britain and the United States as it is here, yet both Britain and the United States insist on the necessity for paid vacations.

"Prior to 1914," says the Queen's University Survey of this question, "paid vacation provisions were confined almost entirely to government employees and to salaried employees in private industry. But as the seriousness of the problems of human adjustment to increasing industrial mechanization came to be realized, and doctors, social workers and teachers drew attention to the importance of rest, relaxation, sunlight and exercise in maintaining health, industrial managers came to doubt whether there was any justification for making distinctions in the granting of paid vacations between salaried workers and wage earners." These words, we submit, are entirely applicable to the coal industry. By granting vacations with pay to officials and clerks, the employers have recognized the general principle that such vacations are desirable and worthwhile. It is time to remove the discrimination which now exists in this respect against the wage earners in the industry.

5. Lack of Community Life

Life in most of the mining towns of Nova Scotia is drab and dreary beyond description. There is almost a complete lack of parks and other recreational facilities, and an equally complete absence of cultural facilities such as libraries. The only public libraries in Cape Breton, as far as we know, are a single-room

affair in Sydney, without adequate staff or equipment; the People's Library of Reserve, which has a trained librarian and is admirable in every way, but necessarily serves only a small area; and a small library in the Credit Union Building in New Waterford. In the armed forces, and in war construction projects, the necessity of making provision for recreational and cultural needs is recognized. In the Nova Scotia coal industry it is not. The whole problem has been ignored. The present situation is having a disastrous effect on morale. Something must be done and done quickly. We recognize that the provision of recreational and cultural facilities is beyond the jurisdiction of your Board; but we submit that the absence of such facilities is a contributing cause of industrial unrest in the coal fields, and that your Board is therefore entitled to take cognizance of it in this inquiry and to make recommendations to the government accordingly.

Pres. Freeman Jenkins
 Vice-Pres. Thomas Ling
 Secty.-Treas. Adam Scott

REPRESENTATIONS OF THE EMPLOYEES OF THE NATIONAL PAPER BOX LIMITED TO THE NATIONAL WAR LABOUR BOARD

To the Chairman and Members of the National War Labour Board:

To-day national and international unions are taking advantage of the war emergency to build up large dues-paying unions in utter disregard of governmental policies and regulations. Many labour leaders are insistent that workers be not permitted freedom of action and association and are endeavouring to force closed shop and check-off conditions, with a view to building up large funds with ultimate political power in view; this at a time when thousands of our fellow employees have left their employment to fight and die in maintaining that freedom which these militant unions would take away.

We, as workers, are concerned primarily in *security*, security for ourselves and families; and believe the basis of that security is continued industrial peace. We recognize that there are three major interests involved in industrial peace, namely, the public, the employee and the employer. All of these are inter-related. We believe it the duty of the government to protect and promote each of these interests, having due regard to the rights of the other—when one particular interest is neglected at the expense of the other or is encouraged or championed at the expense of the other, labour unrest is bound to follow with the result that the security of the worker is jeopardized.

Labour unions affect for good or bad the economic conditions of a country as they enter every business and industrial enterprise, and affect the public interest and can, therefore, be considered of a public use and have a great bearing on the *right to work* which is the *right to live*. It is our considered opinion that as the public interest is paramount, all union activity should be regulated by legislation.

We would recommend that all industry in the province be placed under the jurisdiction of the federal government. If it is the decision of the government to establish federal compulsory bargaining, we strongly recommend that in drafting such legislation serious consideration be given to the following with the object of correcting what we believe to be the principal causes of labour unrest in the country to-day, namely:

- (a) Bad leadership.
- (b) Disregard by unions of agreements entered into.
- (c) Irresponsibility of unions for their acts through not being corporate bodies.

- (d) Failure of the government to penalize for illegal strikes.
- (e) The insistence on "closed shop" conditions.
- (f) Jurisdictional disputes.

(1) To establish and maintain industrial peace, we would recommend in labour legislation that the term "Labour Organization" be substituted for "Trade Union" and "Labour Organization" defined as "any organization of employees organized or existing for the purpose, in whole or in part, of dealing with employers concerning grievances, labour disputes, wages, rates of pay, hours of employment or working conditions of any group of employees, or of bargaining collectively with employers on behalf of any group of employees".

(2) Employees should have the right to self-organization, to form, join or assist labour organizations or to refrain from any and all such activities.

(3) It should be unlawful for any labour organization to collect a sum of money for the granting of a work permit, or as a condition for the privilege to work from any person not a member of that organization.

(4) No labour organization to have the right to act as the bargaining agency for all the employees of a plant or operation unless it has at least 65 per cent of the employees affected as bona fide members of that organization.

(5) That as one of the principal causes of labour unrest to-day is the disregard by labour unions for their contractual working agreements, we would recommend that:

(a) All labour organizations be registered under the Trade Unions Act of Canada.

(b) That all labour organizations be required to become incorporated and to submit, for filing with central registry, complete financial statements of all fees, dues and assessments, together with itemized list of expenditures for the preceding twelve months' period, members to have access to this information.

(c) Copies of all working agreements to be filed at central registry.

(d) No strike or walk-out or cessation of work without same being authorized by a majority ballot vote.

(e) No agreement to be entered into on behalf of employees unless authorized by a 65 per cent majority vote.

(f) That no cessation of work or interference with the progress of work by reason of a jurisdictional dispute, grievance or disagreement between or within labour organizations. We believe that most jurisdictional disputes are caused by the competition between national and international unions for the large number of potential dues-paying members, the result of expansion of war industries.

(6) Democratic annual election of all officers by secret ballot of those entitled to vote.

(7) Bargaining committee not to be appointed but elected by those entitled to vote.

(8) That no labour organization influenced, dominated, controlled or financed by the employer to have legal status as a labour organization in any legislation.

(9) All members of a plant or operation, employer and employee alike, to have freedom of action and speech in declaring his opinion on organization of a bargaining agency.

(10) Picketing by force and violence, or to picket en masse, or to prevent ingress or egress to or from any premises, or to picket other than in peaceful manner to be illegal.

(11) That the principle of closed shop should not be placed in effect except where same has been mutually agreed upon in writing by both parties, and further that the question of "closed shop" be not classed as a dispute.

In conclusion we would call your attention to the fact that not only in Canada but in the United States, as the result of high-handed action on the part of international labour organizations, the working man is turning to the democratic independent type of union for protection and security. A recent report by the National Labour Relations Board reveals that "during the year 1943, 678 independent unions participated in elections. The total number of eligible voters in these elections was 338,195. The unaffiliated unions won elections in 391 contests, or 57.7 per cent of the total participated in. In these elections there were 127,834 votes cast for independent unions." These results indicate that unions which are not affiliated with either the A.F. of L. or C.I.O. hold a substantial portion of workers' votes, and indicate that there are thousands of employees who prefer to own and control their own union without outside dictation or interference.

Sincerely and respectfully submitted on behalf of the organized independent workers in British Columbia.

(Sgd.) G. F. PAONE, *President*,
National Paper Box Limited Employees' Assoc.

SUBMISSION OF WINNIPEG AND DISTRICT TRADES AND LABOUR COUNCIL, TO NATIONAL WAR LABOUR BOARD

In submitting this brief statement to the National War Labour Board, the Winnipeg and District Trades and Labour Council wishes to have recorded its full endorsement of the submission made by the Trades and Labour Congress of Canada.

The questions which appeared at the beginning of that submission are of vital concern to the people of Canada, to the workers in particular, and we respectfully request that labour organizations throughout the country be given copies of the answers to those questions when they are made available for publication.

Cost-of-Living Bonus

The Winnipeg Trades and Labour Council has never approved of the principle of cost-of-living bonus. It has been clearly recognized by this council that the cost of living would increase during the war, and that increases in wages would lag behind increases in costs. But it was also recognized that increases in basic wages once obtained, might be maintained even if the cost of living declined, with a consequent improvement in the standard of living.

On the other hand, cost-of-living bonus also lags behind increase in the cost of living by practically half a year, but once the cost of living begins to decline, there will be very little delay in taking away the bonuses that have been given. There will be very little lag, when prices begin to go down.

The principle of cost-of-living bonus was established by the government (without consultation with labour) but was not given general application. The result has been that those workers who were well organized, and who needed the bonuses least, succeeded in getting the greatest possible amount of bonus. Those who were not organized, and who really needed the bonuses, did not get any until the fall of 1942, and then received only one quarter of the full bonus. (When they got any bonus at all.)

If the cost-of-living bonus as an economic principle was worth establishing, then it is obvious that it should have been established as a general principle for all. Consequently we fully support any recommendation of "Full cost-of-living bonus for all wage earners who are entitled to bonus".

Lack of Proper Consultation with Labour

Despite repeated requests for proper representation on war boards by labour, the policy of completely ignoring labour in the formulation of orders in council seems to have been followed. Orders, widespread in their scope, directly affecting the lives of millions of workers, obscure in their meaning, contradictory in their interpretation, have had the effect of bewildering and exasperating all those affected thereby. Many of the mistakes thus made could have been avoided if labour had been taken into consultation.

The unrest and distrust which is in evidence from coast to coast among the workers of Canada, is the direct result of the refusal on the part of the government to place trust in the workers by consulting their representatives in the formulation of policy affecting industry.

On the other hand, employers, representatives of business concerns, and directors of large industries have been given full representation, and are given every consideration in both the formulation and administration of policy.

Consequently the workers of Canada have arrived at the conclusion rightly or wrongly, that they are being handicapped by government policy, whilst their employers are being aided, that workers are being weakened, and employers are being strengthened in preparation for the post-war period of readjustment.

Wages

One of the policies put into effect without the consultation of labour was the freezing of wages over the length and breadth of the country. This policy brought with it much hardship to those in the low wage groups, and to the residents of those parts of Canada which had been unable to recover from the effects of the depression of the 1930's.

Winnipeg is one of the cities which suffered severely from the depression, a city where wages were drastically cut. A great proportion of the wage earners of Winnipeg had not recovered the cuts made in pay during the depression when the wage freezing order was put into effect.

On the other hand the cost of living has continued to rise, in spite of the establishment of price ceilings, and has risen in a manner not reflected in the cost-of-living index. The result has been a further reduction in standards of living which were already too low.

Those workers in the low wage groups should be allowed to bring their wages up to a minimum of at least fifty cents per hour or \$25 per week. If this humane recommendation cannot be put into effect without causing inflation, then steps should be taken to prevent inflation by other, and more equitable means. By a more general system of rationing, by more rigid price control, by higher taxation or more compulsory saving, on the part of those in the higher income groups. The solution of the problem of inflation by placing the whole burden on the shoulders of the workers and reducing the standards of life of those in the low wage groups is one of the causes of the unrest now prevalent in this country.

The following is a quotation from the recommendations of a representative committee set up by the Mayor of Winnipeg, composed of a cross section of citizens and submitted to the Mayor on the 17th of May, 1943.

At the beginning of the war Manitoba had not yet emerged from the depression. Although salary restorations had been made they were not yet back to the 1930 level. Wages, too, were below normal levels, particularly in the field of unskilled or semi-skilled labour. . . . In many cases the married man who is classed as unskilled or semi-skilled labourer cannot take a job when one is offered to him. There have been openings in work which pay from 35 cents to 45 cents per hour for hard physical labour. If a man with a family takes such a job he must forego all

claims for "Relief" and try to support himself and his family on a budget of \$60 to \$85 a month. In a climate such as we have the cost of living is high, especially in the winter months, and men in this category are unwilling to take the low paid jobs, knowing that they cannot support their families adequately. We feel therefore that some steps must be taken to raise the level of wages for such groups of workers. . . . The Regional War Labour Board should consider raising wages in the lower brackets where they are out of line with those of other provinces, or where in comparison with other industries, such wages may be inadequate.

Collective Bargaining

If we are to avoid the evils of dictatorship, either by strong minded individuals, or by governmental bureaucracy, both works and employers must learn the art of "Collective Agreement".

If on the one hand employers take advantage of their stronger economic position to impose upon their employees terms of employment which are unsatisfactory, the workers are driven to take action of one kind or another to correct the situation. Such action may take the form of refusal to work, various forms of "striking" or of working in such a way as to be unprofitable to the employer. This is the last resort of the worker. Other action may take the form of appeal to the government, to introduce legislation which will make compulsory the introduction of collective bargaining between employers and their employees. Bargaining under any terms of compulsion will never be satisfactory to both parties.

If, on the other hand, workers take advantage of their economic position at the time when they are the stronger, any advantages they may gain will be taken away again as soon as the positions are reversed.

To be completely successful, collective bargaining must be voluntary on both sides. The employers' groups, being smaller, have no excuse for not being well organized, and are naturally free from domination by the workers. The workers' groups must be completely free from domination, control, or influence on the part of employers. Each group must have complete confidence in the sincerity of purpose of the other. Only under such conditions can collective bargaining be really successful.

The greatest difficulty experienced by workers in their efforts to solve these industrial problems in a democratic manner, has been the flat refusal of many employers to give recognition to the right of employees to organize. Refusal to deal with representatives of workers' organizations, and with attempts by employers to dominate the organizations of their employees.

This is another great cause of industrial unrest.

In making the above observations on collective bargaining we recognize fully the fact that, by his control over the means of livelihood of the worker, the employer is always in a position to apply economic compulsion in directing the activities of his employees.

Wherever such economic compulsion is used by an employer, there can be no such thing as voluntary collective bargaining, and compulsory collective bargaining is the only alternative.

Labour-Management Production Committees

The same conditions of mutual confidence necessary for collective bargaining, must prevail if labour-management production committees are to prove beneficial. There must be genuine sincerity of purpose on the part of both groups. The essential harmonious relations can exist only in an atmosphere of mutual respect and understanding, in which each group will recognize the rights of the other.

There must be frank recognition of the fact that neither party should benefit at the expense of the other, that both parties are vitally concerned with the

successful operation of the plant, and that the benefits of co-operation, be they financial or physical, should be shared in proper proportion.

Wherever labour-management production committees have been given a fair trial, they have justified the effort that must be made by both parties to master the difficulties of co-operative and democratic procedure in industry.

The persistence of dictatorial methods on the part of employers is another cause of great unrest in industry.

Social Security and Post-War Reconstruction

Labour looks to the post-war period with considerable misgiving, and nothing which has been said or done by either government or employers has tended to lessen that misgiving.

Dr. Cyril F. James is the Chairman of the National Advisory Committee on Reconstruction, and on the 28th of April, 1943, he delivered an address to the Winnipeg Council on Rehabilitation and Post-War Reconstruction. Following are some quotations from his speech.

The second major problem of international rehabilitation, and one which has already received more than its fair share of discussion, is concerned with the welfare of the individual in the community.

The welfare of those now engaged in munition industries in Canada, who will inevitably be discharged when those industries contract after the war, is provided for under the existing Unemployment Insurance Scheme, since most of the individuals concerned will, by the conclusion of hostilities have qualified themselves for at least six months of benefit.

The government must adopt policies, including policies of public works, which are carefully designed to allow a maximum area of operation to individual initiative and to the spirit of enterprise.

It would be an immeasurable loss to the world if the effort to attain social security should be allowed to impede the further progress of mankind.

The selection of quotations such as the above, separated from their context are not fair to a speaker. They are chosen not for the purpose of criticizing the speaker, but for the purpose of illustrating the uneasiness felt by labour about the coming post-war conditions. While some effort is to be made to train and retrain men returning from the armed forces in order to fit them for civilian life, nothing apparently is to be done to care for the man who served in the munition plant, except to give him a meagre allowance for six months from the funds of the Unemployment Insurance Commission.

This will not do, it is not good enough. In its presentation of legislative proposals to the government of the Province of Manitoba for the last three years, the Winnipeg Trades and Labour Council has urged the preparation of plans to deal with post-war unemployment.

Many projects quite varied in character will need to be undertaken to meet the problems that will arise. They should all have one principle in common, that of benefiting the whole community by making every man and woman a useful and productive member thereof. Wherever possible they should be planned thoroughly in advance, capable of immediate operation or of indefinite postponement, productive or at least self maintaining, and of general rather than particular benefit.

The same could be suggested, and has been suggested to the Dominion Government, and there is no doubt but that a vast program of public works has been planned to take up a part of the slack of unemployment. But there appears to be a tendency to regard such a program of public works merely as relief projects, whereas they should become a permanent part of the economy of the country. The wages paid on such works should be in accordance with Fair Wage Schedules, with all trade union agreements respected and only bona fide skilled tradesmen employed for skilled work.

Great pressure will be placed upon the government to induce relaxation of some of the controls which have been necessary to ensure full production for war purposes. The quotations above indicate that an early return to the system of uncontrolled private enterprise which prevailed before the war is highly desirable.

Labour regards this tendency to return to pre-war social conditions with considerable apprehension. That private enterprise failed to supply the needs of the people is evidenced by the years of depression and unemployment that preceded the war. In fact private initiative and enterprise uncontrolled has such a lengthy record of failure, of waste of human life and natural resources, of inadequacy to measure up to the demands of peacetime economy, of failure to provide the necessary supplies for warfare, that labour is justified in opposing with all its might any return to a pre-war economy.

Some "Over All" planning by governmental agencies will be just as necessary for a successful peacetime economic policy, as it has proven to be for the successful prosecution of the war.

More than anything else, doubt as to the future is responsible for the demands that labour is making now for higher wages.

Manitoba Regional War Labour Board

The Winnipeg Trades and Labour Council takes this opportunity of repudiating the greater part of the brief presented to you by the Manitoba Regional War Labour Board.

The function of the Manitoba Regional War Labour Board is to administer the Order in Council P.C. 5963. It has no authority and no right to attempt to speak for the people of Manitoba. It should have confined its recommendations to its own experience, as it set out to do in paragraph No. 1.

We submit that paragraphs 2, 3, 4, 5, 6, 7 and 8 should have no place in the submission of a local war labour board.

We also oppose the suggestion that the Regional War Labour Board be given some of the powers of the I.D.I.A. machinery. The function of a war labour board is a temporary one, to exercise control over wage rates. It should have no power whatever to enter the field of arbitration, or of determination of the right of representation.

Paragraphs 15, 16, 17, 18 and 19 merely advocate a more rigid freezing of wages, making doubly sure that workers will be unable to prepare for the days of unemployment which lie ahead.

The recommendation of a floor to wages of 30 cents an hour by the Manitoba Regional War Labour Board calls for the unqualified condemnation of all labour organizations.

With a conception of labour affairs such as that demonstrated by the brief of the Manitoba board there can be no surprise at the amount of unrest prevailing throughout the country.

To summarize. In the opinion of the Winnipeg and District Trades and Labour Council, the principal causes of labour unrest are:—

- (1) A general feeling of uncertainty and insecurity as to the future.
- (2) Inability to prepare for the future due to wage freezing and taxation.
- (3) A feeling of exasperation because of the obstacles placed in the way of gaining wage increases to which workers think they are entitled, intensified by the realization of the active measures taken by the government to prevent inflation and protect employers, whilst in the 1930's no steps were taken to prevent deflation and to protect workers.
- (4) Exasperation at the inequalities created by the method of allowing unequal amounts as cost of living bonus, all to some, little or nothing to others.

(5) Resentment against the policy of ignoring labour on the part of the Dominion and Provincial Governments.

(6) Resentment against the encouragement given by the government for the formation of company dominated unions.

(7) The assumption of too much power by regional war labour boards, with a tendency to over-ride the established practices of trade unions.

(8) A deepening feeling of conviction, that workers are being fooled in this war, as they were in the last war, by promises which will not be fulfilled.

All of which could be prevented by frank assurance of security after the war, assurance that there will be no return to the condition of widespread unemployment doles, and relief which prevailed before the war, backed up by planning and action to demonstrate that the assurances given are not hollow promises.

Respectfully submitted by the Winnipeg and District Trades and Labour Council.

per (sgd.) D. SUNLIES,
President.

TRAIL BOARD OF TRADE

Trail, B.C.

June 5th, 1943.

The Honourable Mr. Justice McTAGUE,
Chairman, National War Labour Board,
Ottawa, Ontario.

Dear Sir:

*Brief Presented by Local 480, Trail and District Smelterworkers'
Union, I.U.U.M.M. and S.W.*

Under date of May 20th the above mentioned organization presented a brief to your Board in connection with the investigation now going on in regard to the labour conditions in Canada. I have before me a newspaper copy of this report,* which I enclose, and you will note in Column 3 the following appears:—

Recent representation to your Board by the Canadian Manufacturers' Association asking for regulations incorporating trade unions and annual reports on their finances. Similar resolutions have been passed by the Trail Workmen's Committee with the Board of Trade.

The reference to the Board of Trade having passed a resolution in regard to trade unions filing annual reports on their finances is incorrect and a misstatement of the truth.

In May last the Trail Board of Trade received a resolution submitted by the Workmen's Co-Operative Committee of The Consolidated Mining and Smelting Company of Canada, Limited, reading as follows:—

Resolved: That all labour unions, international and otherwise, be required by law to submit annual Financial Statements, said statements to include: 1. Report of fees, dues and assessment of members; 2. Report of salaries paid union officials; 3. Report of donations; 4. Report of all collections and disbursements of all monies; 5. Books to be audited by a chartered accountant yearly.

which we were asked to support.

* See p. 882, vol. X, for text of brief.
84899—10½

This resolution was referred to the Department of Labour at Victoria for further information. Following receipt of a reply and after further discussions the following resolution was adopted by the Trail Board at its meeting on May 20th, 1943:—

It was regularly moved, seconded and carried, that in view of explanations given in a letter received from the Minister of Labour at Victoria, no action be taken in connection with the resolution concerning Labour Unions submitted by the Workmen's Co-Operative Committee.

I felt it was only fair to the Trail Board that you be informed of this incorrect statement.

Yours truly,

(sgd.) W. H. RAIKES

W. H. Raikes, President, Trail Board of Trade.

THE MONTREAL COTTONS LIMITED

Administration Offices and Mills

VALLEYFIELD

Que., Canada

25th June, 1943.

National War Labour Board,
Ottawa, Canada.

Dear Sirs:

Mr. Rowley in his brief states that he is speaking particularly for the Textile Industry of the Province of Quebec, and which brief was presented to your Board on Wednesday, the 26th of May, 1943. We are not familiar as to his standing with the other textile plants, but we do know that his Union can only claim but a very few of our 3,400 employees as being members of his organization.

We cannot be classed as a mass production industry, much and all as we would like to be able to operate our plants on that basis. The varied demands from the population of Canada is widespread and its requirements embrace the whole varied field of textile products, consequently it is impossible (such as in other countries) to specialize on a lesser number of fabrics.

It is true that the textile industry does provide worthwhile employment to a number of semi-skilled operatives, but this is due to the fact that the industry itself is so organized as to give steady employment for a few years to a certain class of work people, whose stay in industry is intentionally limited, and who have no intention of making work in a textile mill their permanent occupation.

With regard to the remark re children of fourteen and fifteen years of age, we would like to say that in pre-war years the minimum age at which anyone was allowed to commence employment in our mills was sixteen for daytime and eighteen at night. It has only been due to the demands of war production and the decreasing supply of labour, that we have been compelled, about six months ago, to reduce the age limit of day workers from sixteen to fifteen, no change having been made in the case of the minimum age requirements of night workers.

We are proud of being able to make the statement that we have still in our employ many employees who are members of family groups.

Our day help work, generally speaking, fifty-five hours per week, that is five days of ten hours and five hours on Saturday morning, and the night shift for men in some cases being five nights of eleven hours, and in others, five nights of twelve hours, making either fifty-five or sixty hours per week. Any variation from the normal working day is due solely to the exigencies of war and is by no means peculiar to textiles as an industry, or to Canada as a country.

Speaking for our mills, we wish to take exception to the statement that in the past we have ridden roughshod over the social welfare of our employees.

On the contrary, we have taken a very deep interest in the social welfare of those working in our mills, and we are sure that conditions compare very favourably with those existing in any other textile mill in the world, therefore, the statement that conditions lend themselves readily to the unscrupulous voice of the demagogue is definitely wide of the mark, at least as far as actual conditions are concerned.

Re the training of labour, it is true that education facilities provide little in the way of training in the fundamentals of textile spinning and manufacture, so it is necessary that all labour be actually trained in the mills. The industry itself, including ourselves, have sponsored textile schools and technical societies to assist all of our employees wishing to prepare themselves for higher positions. This work has been carried on solely by individual companies who have themselves borne the expense of these classes, and which have not been assisted by public authorities. We give all encouragement possible to those of our employees who express a desire to fit themselves for a better position. Practically all of our foremen and superintendents have been chosen from amongst our employees.

Re the assertion that employees who claim to be sick and present a doctor's certificate are told to either get to work or get out, is one of those general statements, and which as far as our mills are concerned, is definitely false.

While it is true that we endeavour to obtain as great a production as possible, it is not obtained at the expense of the health and general well-being of the worker. These are very important considerations which must be constantly studied by any one who is in control of labour especially at the present time.

We do not know to what plant Mr. Rowley refers when he states that weavers who have worked for fifteen years on a certain type of cloth are now having the work load increased. It is quite possible that the number of looms per weaver may have been changed, as changes have taken place in the textile machinery in common with all other industries during the past twenty years. To increase the number of looms, does not necessarily increase the work load.

Re the question of overtime. Ordinance No. 8 of the Quebec Minimum Wage Commission (under which we operate) and which was the result of an agreement between employees and employers, provides for an overtime rate of ten per cent after ten hours per day, or forty-eight hours per week, but we have ourselves voluntarily increased the overtime rate after forty-eight hours to time-and-a-half.

The rate of twenty cents per hour referred to was included in Ordinance No. 8 and no longer applies as the youngest employee at our plant, without any training or experience whatsoever, is paid twenty-five cents per hour, plus cost of living bonus.

We have no employees working at night under eighteen years of age.

No one up to twenty years of age is employed unless they can produce their birth certificate. When this ruling was first put into effect, some years ago, we did experience a few cases where the certificates had been changed. Where this was found to be the case, the certificate was handed back to the party seeking work and he or she was told that their services were not required. This put a stop to such a practice. The certificates for all employees under sixteen years of age are sent to the Department of Labour, Province of Quebec, for their inspection and approval.

The number of female employees working at night is very small compared to daytime. The actual figures being as follows:—

	Males	Females	Total
Day	1,352	1,223	2,575
Night	385	216	601
	1,737	1,439	3,176

A permit has been obtained from the Department of Labour of the Province of Quebec to give employment to females at night and which is a war measure due solely to lack of males.

To make a statement that it takes fifteen to twenty-five years before an employee can become skilled as a loom fixer shows a lamentable ignorance of the actual facts. The time required to make a good loom fixer depends to a great extent on the natural ability of the individual. They first start as battery hands, then they are spare weavers, then weavers, and afterwards spare fixers. When capable, they become loom fixers. The whole taking from two to five years.

The rates earned by all weavers in our mills during the first three months of this year average 51.93 cents per hour, including cost-of-living bonus, but excluding all premiums obtained for overtime work.

The statement that many men and women with large families who have given the best years of their lives to textile production, find themselves receiving the basic rate of thirty-five cents per hour on war production is very wide of the mark, as this rate of thirty-five cents is the minimum rate and only applies to unskilled beginners.

The members of your Board must be well aware that it is impossible to find experienced labour even at much higher rates than the thirty-five cents per hour as mentioned by Mr. Rowley.

In reply to the allegation that abnormally bad working conditions prevail in our mills, we attach copies of reports issued by the Department of Labour of the Province of Quebec, and dated the 4th of March, 1943, and the 19th April, 1943, also another report from the Sanitary Engineer, Provincial Board of Health, following an inspection by him on the 16th of April, 1943.

To disprove the general statements concerning the health of textile employees, we wish to quote the following from an article entitled "Comparative Studies in The Vital Statistics of Textile Workers" prepared by Dr. C. L. Roman:—

It is of more than passing significance and importance in the consideration of this subject, that in 1937, Dr. C. L. Roman, who for more than twenty years, has specialized in industrial medicine, completed a long, painstaking research and study on employees of The Montreal Cottons Limited, who were fifty years of age and more.

The title of this original work was "Comparative Studies in The Vital Statistics of Textile Workers".

This monograph, which deals with more than two hundred employees of The Montreal Cottons Limited, shows clearly that the cotton textile industry carries no special hazard that interferes with longevity. This opinion, Dr. Roman found, was supported by statistics from the U.S. Public Health Bureau. These findings have been confirmed during the period since it was written and at the behest of medical authorities who have been impressed by this study as a contribution to industrial medicine, Dr. Roman is enlarging, bringing up to date, and adding to this work which is to be published in the Canadian Medical Journal.

Judging from the number of Victory Bonds and War Savings Certificates purchased by our employees, also that a great number are property owners, the wages being paid to our employees cannot be so low as those referred to in Mr. Rowley's brief. The wages paid compare favourably with those of similar types of employment throughout the province.

Mr. Rowley states that since December, 1942, his organization has conducted a peaceful and orderly campaign of unionization, without incitement to violent action and specifically recommending recourse to the peaceful machinery of law, that correspondence took place, and that negotiations were flatly refused.

Mr. Rowley arrived in Valleyfield in October, 1942, and before ever coming to see us he had issued hand bills which were distributed to our employees at the main gates when they were leaving for home. These hand bills contained statements which were false. It does not seem necessary to go into all details

of what actually took place in the early days, but on the 29th of January, 1943, we wrote to Mr. Rowley in reply to his letter of the 26th of the same month, advising that:

Our Company was prepared to discuss matters relating to its employees, with any stable and responsible organization which the employees in a clear cut majority of their numbers, elect to join as bona fide members and where, having become members, they decide to entrust to the executive or any other representatives of their organization the responsibility of presenting the views to, or negotiating agreements, etc., with the management of the Company.

Mr. Rowley applied to the Department of Labour, Ottawa, for a Board of Conciliation and Investigation, and which request was dated Valleyfield the 21st of February, 1943.

The director of Industrial Relations and Registrar, Mr. M. M. Maclean, wrote us under date of the 5th of March, stating that he had appointed Mr. Bernard Rose, K.C., of Montreal as Industrial Disputes Enquiry Commissioner to investigate the request of the U.T.W.A., Local No. 100.

We received a letter from Mr. Bernard Rose, K.C., and dated the 8th of March, advising that a meeting had been called to take place in his office for Friday morning the 12th of March, at 11 a.m., and to which we had representatives attend. The Union was also represented, but they did not produce their records of membership as instructed by the Commissioner in writing to do so. Mr. Rowley then asked for a further two weeks during which to give the matter further consideration, and a meeting was then arranged to take place on the 26th of March. On this date our company was again represented at the meeting, and which was to have taken place in the Commissioner's office, but upon our arrival there, we were advised that Mr. Rowley after communicating with Ottawa, had been granted a further delay, and that the next meeting would only take place on the 16th of April.

As the records of membership were not produced at this meeting either (16th of April) Mr. Rowley requested a further delay, that is, until the 14th of May, and while there have been meetings held since the 14th of May, we are still awaiting the proof, through the Commissioner, that they have the majority of our employees as members in good standing of their Union. We doubt very much if they have 200 of our employees who are fully paid up members of their Union.

We would like to state that we have no objection whatsoever to our employees becoming members of any Union, in fact, we have told them that if they wish to join a Union, it was their privilege to do so.

We have stated before, and state again that we will negotiate with any stable and responsible organization that will prove to independent authorities that it comprises within its ranks a clear cut majority of our employees as bona fide members.

This Union, in the person of Mr. Rowley, has so far refused to produce tangible evidence of its claims to speak on behalf of our employees and when asked to do so, has under one pretext or another succeeded in putting off the matter and now accuses this Company of being responsible for the numerous postponements of the inquiry, postponements that have been due solely to the refusal of Mr. Rowley to comply with the written orders of the Commissioner to prove the truth of his claims.

The so-called authority referred to on page 408 was obtained by a house-to-house canvas in our City, and it is very doubtful that all the names thereon represent employees of our Company.

There was no strike talk of any kind amongst our employees before Mr. Rowley's Union came to town. The rumours that started to float around after Mr. Rowley appeared did not worry us unduly as we knew the feelings of our employees somewhat better than Mr. Rowley.

For your information, we give you below details of the number of those being paid the rates referred to on page 412:

Number being paid 50c. per hour, or over.....	626—19.71%
Number being paid 35c. per hour.....	294— 9.25%
Number being paid 25c. per hour.....	37— 1.16%

These rates do not include any cost-of-living bonus, or overtime premiums.

When it is realized that during the month of May we took on 172 new employees, almost all of them unskilled and without any experience, we submit that the numbers on the lower rates cannot be considered unusual.

With reference to the wages being paid in our Machine Shop and referred to at the top of page 413, we would like to advise that the average earnings per hour of our machinists is 61.1 cents, cost-of-living bonus and overtime premium not included.

While it is true that our standard cost-of-living bonus is \$2.05 per week for males 21 years and over, and 8.4 per cent for females and males under 21 years of age, we would like to point out that a 10 per cent increase in wages went into effect on the 6th of November, 1939. A 5 per cent on the 29th of July, 1940. A further 5 per cent on the 5th of May, 1941. And whilst our cost-of-living bonus dates from the 6th October, 1941, there were actually three increases in wages prior to this date. In other words we added the increases to the wage rates instead of showing them as cost-of-living bonuses. The sixty-cents cost-of-living bonus referred to applies only to beginners on starting work. As a matter of fact, our average earnings per hour on the 31st of December, 1942, showed an increase of 44 per cent over the pre-war rates, while the cost-of-living index has only increased 17.9 per cent.

If we had complete details of the wages quoted in Schedule "A" we would be able to give a full explanation but in view of the general nature of the information given it is impossible to check these figures with our records.

We are not familiar with the rates paid in Ontario, but from what little we do know of wage rates in Cornwall, the statement made that there is a difference of from four to eight dollars per week, in favour of Cornwall, based on the same number of hours worked, is, we would say, far from being correct.

Mr. Rowley whilst posing as an authority on matters pertaining to the textile industry, admitted in reply to a question by Mr. Lalande, that he has had no experience whatever in the industry, and consequently cannot have any practical knowledge of the problems that confront those responsible for its maintenance and development. Mr. Rowley is purely and simply a professional organizer, and we submit in all fairness to the textile industry in general and to The Montreal Cottons Limited in particular, that his evidence be treated as such and not as that coming from a man thoroughly familiar with textile manufacturing.

In closing, we would like to state that for a number of years our company has paid an amount of \$30,000 yearly in the form of pensions to a number of our old employees. There being no contributory pension fund in effect—this money has been taken out of the earnings of the Company.

Yours very truly,

THE MONTREAL COTTONS LIMITED
(Sgd.) W. G. E. AIRD,
Managing Director.

Translation

Montreal, April 19, 1943.

Mr. CLOVIS BERNIER,
Chief Inspector,
Industrial Inspection Department,
Montreal.

Re: Investigation at Montreal Cotton Mills, Valleyfield, Que.

Dear Sir,

With Mr. Plamondon, I inspected the plant of the above mentioned firm in answer to the complaint to you that the employees' health was endangered due to dust and lack of toilets.

We noted nothing exceptional in the course of our inspection, and I would refer you to the recent detailed report of inspector R. St-Maurice covering said plant, a report to which I could add nothing.

Trusting this will prove satisfactory, I remain,

Yours truly,

A. RIVEST,
Inspector, Quebec Department of Labour.

MINISTÈRE DU TRAVAIL

PROVINCE DE QUÉBEC

Mr. CLOVIS BERNIER,
Inspecteur en Chef,
Service d'Inspection du Travail,
Montréal.

Montréal, le 19 Avril, 1943.

Sujet: Enquête à la Montreal Cotton Mills, Valleyfield, Qué.

MONSIEUR,

En compagnie de monsieur Plamondon, j'ai visité la firme précitée, au sujet de la plainte venue devant vous disant que les employés souffraient du fait de la poussière et de l'insuffisance des chambres de toilette.

Je dois vous dire que nous n'avons constaté rien d'anormal au cours de notre visite et je vous prie de vouloir bien voir, au dossier du dit établissement, au rapport détaillé de l'inspecteur R. St-Maurice, fourni récemment et auquel je n'ai rien à ajouter.

Espérant que ceci vous agréera, je demeure,

Votre dévoué,

A. RIVEST, *Inspecteur.*

Translation

REPORT OF INSPECTION AT THE MONTREAL COTTONS LTD., VALLEY-
FIELD, BEAUHARNOIS CO., QUE.

Inspection conducted on Friday, April 16, 1943. I was accompanied by Mr. Antonio Rivest, Inspector of Industrial Establishments for the Department of Labour. Mr. Maudsley, Superintendent, acted as our guide through the silk and carding departments. The inspection was conducted at the request of Mr. Clovis Bernier, Chief Inspector of Industrial Establishments, Department of Labour, Montreal District, in reply to complaint received.

Following are our findings covering that part of the plant inspected by us:

Processes

The Carding Departments in the Empire Building were all inspected, together with the Silk Department in the Galt manufacture. The cotton is spun, carded, woven, inspected and shipped, and the same is also done with the silk.

Sanitary Facilities

On each floor are separate clothes-rooms for women and men employees. There are also toilets and wash-basins in sufficient numbers. There are, in addition, drinking fountains with vertical jet. All these locals are cleaned and disinfected daily. Pieces of paper were noted here and there on the floor in some of the toilets, but that was mainly due to negligence on the part of the employees. The management does its utmost to assure the maximum of sanitation. Furthermore, there are automatic milk distributors in the various departments.

Medical Services

There are three physicians at the employees' service, and they are alternately in attendance at least one hour in the forenoon and as long in the afternoon at the plant's dispensary. A graduate nurse is in continuous attendance. Medical examination is required of all before entering the Company's employment. There is no X-ray however. Some 25 employees of the plant are first-aiders, and there is a first-aid kit in every department. Considering that there is a total of some 3,500 employees, about 40 per cent of them women, the number of calls at the dispensary is comparatively small. There were some 1,850 dressings, including renewals in connection with accidents, last month. The number of compensable accident registered in 1942 was 49.

Health

The greatest danger in the various departments inspected was from dust. It can be said, however, that everything possible is done to keep to a minimum the dust content of the air in the plant. The carding machines are equipped with dust-exhausts, and men are kept cleaning the floors continually. Besides, there are built-in wall fans in the various departments, and there is also a vacuum system to clean out the machinery.

In conclusion, we may say that the complaint as made was unfounded, as the general conditions existing were satisfactory, considering the nature of the plant's operations

SARTO PLAMONDON,

Division Engineer.

RAPPORT DE L'INSPECTION FAITE À LA MONTREAL COTTONS LTD., VALLEYFIELD, CO. BEAUHARNOIS, P.Q.

Cette inspection eut lieu vendredi le 16 avril 1943. M. Antonio Rivest, inspecteur d'établissements industriels pour le Ministère du Travail, nous accompagnait. M. Maudsley, surintendant, nous guida à travers les départements de la soie et ceux du cardage. Cette visite faisait suite à une demande de M. Clovis Bernier, inspecteur en chef des établissements industriels pour le Ministère du Travail, district de Montréal. Il s'agissait de déterminer le bien fondé d'une plainte reçue par ce dernier Ministère.

Voici le résultat de nos observations pour la partie de l'usine que nous avons vue:

Processus:

Les départements du cardage situés dans l'édifice Empire furent tous visités, et le département de la soie dans le moulin Gault. Le coton est filé, cardé, tissé, puis inspecté et expédié, il en est de même pour la soie.

Commodités sanitaires:

Il y a sur chaque plancher des vestiaires séparés pour les ouvriers et les ouvrières. Il y a aussi des W.C. en nombre suffisant et ces endroits sont nettoyés et désinfectés quotidiennement. Nous avons pu remarquer dans certains W.C. qu'il y avait des papiers ici et là sur le plancher mais cela est dû surtout à la négligence des ouvriers. Les autorités de l'usine font tout ce qui est humainement possible pour maintenir la plus grande propreté. En plus il y a des distributeurs automatiques pour le lait dans les divers départements.

Service médical:

Il y a trois médecins au service des employés. Ceux-ci alternent pour se rendre au dispensaire de l'usine tous les matins au moins une heure de même que l'après-midi. Une infirmière graduée est continuellement en service. Tous les employés subissent un examen médical avant d'entrer à l'emploi de la compagnie. Cet examen ne comprend pas de radiographie. Il y a en plus dans l'usine environ 25 employés qui ont suivi un cours de premiers soins et dans chaque département il y a un nécessaire de premiers soins. Si nous considérons le nombre d'ouvriers qui est de 3,500 environ, dont 40% sont des femmes, le nombre de visites faites au dispensaire est très peu élevé. Le mois dernier, environ 1,850 pansements furent faits. Ce nombre comprend les pansements renouvelés au cours du traitement des accidentés. Le nombre d'accidents compensables pour 1942 fut de 49.

Conditions sanitaires:

Dans les départements visités l'inconvénient le plus à craindre est la poussière. Nous pouvons cependant dire que toutes les mesures nécessaires sont prises pour réduire à son minimum la concentration de ces poussières dans l'atmosphère. Les machines à carder sont munies de récupérateurs de poussières et il y a des hommes qui sont occupés à nettoyer continuellement les planchers. De plus il y a des éventails dans les murs pour ventiler les différents départements. Il y a aussi un système à vacuum dont on se sert pour nettoyer la machinerie.

En conclusion, nous pouvons dire que la plainte telle que formulée n'avait pas sa raison d'être, les conditions générales étant bonnes, étant donné la nature des procédés dans cette usine.

(Signé) SARTO PLAMONDON,
Ingénieur de la Division.

Translation

Mr. CLOVIS BERNIER,
Chief Inspector,
Industrial Inspection Department,
Montreal, Que.

Montreal, March 4, 1943.

*Re: Investigation of general working conditions at the Montreal Cottons,
Valleyfield, Que.*

Acting on your instructions, I inspected the general working conditions at the above-mentioned plant, and beg to report as follows:—

Ventilation

Ventilation is by forced fan system and, in certain departments, by forced ventilation system with dust-exhaust and water-screen (in one department especially). Said forced or pressure ventilation is completed by natural ventilation.

Hygiene

I visited all the departments of the firm in question, and found everything in order. There was some paper on the floor in some of the toilets; but, all considered, everything was clean.

There are separate clothes or dressing rooms for women and men employees in every department.

Sanitary drinking fountains operate everywhere; the water is cold and of good quality, coming from a special spring.

There are also automatic soft-drink machines at different points in the plant, for the employees' benefit and welfare.

Men and women can have a hot meal, with tea or coffee, in separate eating rooms, and there is even a place for smoking.

Safety

In case of need, every department can be cleared through outside safety escapes or inside stairways; there are sufficient exits for the number of employees in every department.

There are nineteen lifts and elevators in the building, some up-to-date, equipped with automatic or semi-automatic gates, while others have hand-operated gates, and others again have floor trap-doors. Said lifts and elevators are operated by qualified attendants, within the age group provided.

Information

I interviewed privately employees of the various departments with from one to thirty years service with the company, and all stated they were satisfied with existing conditions.

It was told that, exceptionally, there was a foreman who used profane language. I had that foreman before me and he admitted the fact, adding however that he had corrected himself considerably lately. I warned him and he promised that there would be no reason for complaint against him in the future.

Fire Protection

On every floor there are automatic fire extinguishers, water buckets and hose. There are also fire sprinklers in the building.

As to the recommendations that should properly be made, I am enclosing herewith copy of a letter I am writing this day to the company's management requesting that the machinery be provided with the safety guards required under the Industrial and Commercial Establishments Act of the Province of Quebec.

Hoping this report will be found satisfactory, I remain, Sir,

Yours truly,

RAPHAEL ST-MAURICE,

Inspector.

Montréal, le 4 mars 1943.

Monsieur CLOVIS BERNIER,
Inspecteur en chef,
Service d'Inspection du Travail,
Montréal, Qué.

SUJET:—*Enquête sur les conditions générales du travail à la
MONTREAL COTTON de Valleyfield, Qué.*

Monsieur,

Suivant vos instructions, j'ai fait enquête à l'établissement précité, au sujet des conditions générales du travail, et je vous sou mets le rapport que voici:

Ventilation

Elle est fait au moyen d'un système de ventilation forcée (fan) et, dans certains départements, par un système de ventilation forcée avec collecteurs de poussière et rideau d'eau (dans un compartiment spécial). Cette ventilation forcée est complétée par la ventilation naturelle.

Hygiène

J'ai visité tous les départements de la firme en question et j'ai constaté que tout y est en ordre; il y avait du papier sur le plancher de quelques chambres de toilette, mais en somme rien de malpropre.

Chaque département est pourvu d'un vestiaire respectif pour hommes et pour femmes.

Des fontaines hygiéniques installées partout: l'eau est froide et de bonne qualité, elle provient d'une source spéciale.

Il y a aussi des vendeuses automatiques de liqueurs douces, à différents endroits de la bâtisse, pour le bien-être des employés.

Hommes et femmes ont à leur disposition une salle à manger où ils prennent un repas chaud, à volonté, avec thé ou café. Chaque sexe a sa salle à manger et il y a même un endroit pour fumer.

Sécurité

Chaque département peut-être évacué au besoin par des escaliers de sauvetage, à l'extérieur, et par des escaliers intérieurs; les sorties sont en nombre suffisant pour le nombre d'employés de chaque département.

Il se trouve dans la bâtisse 19 monte-charges et élévateurs dont quelques-uns sont modernes avec barrières automatiques ou semi-automatiques. D'autres pourvus de barrières à main et d'autres ont des trappes dans le plancher. Ces élévateurs et monte-charges sont conduits par des opérateurs qualifiés et d'âge requis.

Informations

J'ai questionné privément des employés de divers départements ayant de 1 à 30 ans d'expérience au service de la compagnie. Tous m'ont déclaré être satisfaits des conditions existantes.

Comme exception, on m'a appris qu'un contremaître blasphémait; je l'ai fait venir devant moi et il a avoué ce défaut ajoutant qu'il s'est beaucoup amélioré depuis quelque temps. L'ayant sermonné il m'a fait des promesses pour l'avenir.

Protection contre le feu

Il y a des extincteurs chimiques, des chaudières d'eau, des boyaux, à chaque étage. Des gicleurs automatiques (sprinklers) sont installés dans la bâtisse.

Pour ce qui est des recommandations jugées opportunes, vous trouverez une copie de la lettre que j'adresse, ce jour, aux autorités de la compagnie, à l'effet de pourvoir la machinerie des accessoires de sécurité requis par la loi des établissements industriels et commerciaux de la province de Québec.

Espérant que ce rapport vous sera satisfaisant, je demeure, Monsieur,

Votre tout dévoué,

(Signé) RAPHAEL ST-MAURICE,
Inspecteur.

ADDITIONAL MATERIAL FILED BY MR. BERT W. LANG, TORONTO*

Labour Legislation Recommended

It is recommended that the Dominion Government assume immediately the entire responsibility and direction of all matters affecting worker-management relations throughout Canada; not only for the duration of the war, but on a permanent basis. Legislation, regulations and policies fair to both workers and employers, should be established by the Dominion Government and provision made for the administration thereof by personnel who are as free from bias as possible. The assumption of such responsibility and control by the Dominion Government, should provide uniform legislation and impartial and consistent administration of matters affecting worker-management relations. Such Dominion legislation should be fair to all parties concerned, and should be on a basis which will encourage and improve confidence, co-operation and goodwill between workers and management, and thus secure stable and harmonious industrial relations.

In submitting my recommendations on Labour Legislation, it is not my intention to suggest the form or exact wording, but rather to set out provisions which it is recommended should be included in such legislation.

I suggest that it is important that Labour Legislation provide the means whereby any difference may be dealt with in the first instance by representatives of workers and management. If an agreement cannot be reached a mediator should be appointed to endeavour to work out an agreement with the worker and management representatives. Failing a settlement through the services of a mediator, the dispute should be brought before a Board of Conciliation, and if necessary to the Regional and/or National Labour Relations Board for hearing and decision.

Canada's Labour Relations Act

It is recommended that a Dominion act be enacted to be known as Canada's Labour Relations Act in which provision should be made for the following:—

Administration

There shall be created a National Labour Relations Board (herein referred to as the National Board), and such number of Regional Labour Relations Boards (herein referred to as Boards) as the Governor in Council may from time to time determine. The National Board and each of the Regional Boards shall consist of five members, three to be Supreme Court judges, one to be named chairman and one vice-chairman, and one member representing employees and one member representing employers, to be appointed by the Governor in Council.

Any vacancy in such boards shall be filled by appointment by the Governor in Council and any member of such boards may be removed for cause at any time by the Governor in Council. A vacancy on a board shall not impair the right of the members to exercise all the powers of a board and three members of a board shall constitute a quorum.

The head office of the National Board shall be Ottawa, Canada.

The National Board shall be vested with such powers as may be required to administer and enforce this act and the Labour Organizations Act and to conduct all hearings and investigations and to issue and enforce such orders as may be necessary in the administration of such acts.

The National Board shall have authority to make and amend such rules and regulations as may be deemed necessary from time to time for the operation of the National Board and the Regional Boards.

* See p. 759, vol. IX, for previous submission.

The National Board shall have Canada-wide jurisdiction and is hereby authorized to delegate such powers and duties to the Regional Boards as may be deemed necessary and advisable from time to time. The Regional Boards shall operate under the direction and guidance of the National Board, and any decision of a Regional Board shall be subject to appeal to the National Board. A decision of the National Board shall not be subject to appeal except on a question of law.

The National and Regional Boards shall have power to investigate any dispute or threatened dispute, any employee or employer organizations, the activities of any person or organization, or anything which affects employee-employer relations, either on their own volition or upon written request. The boards shall have authority to take appropriate action after such an investigation.

Meetings of the members of the National and Regional Boards shall be called by the chairman of the National Board from time to time, in order to review and determine policies and practices to be followed in the operation of the boards, in order to assure uniform administration and to recommend such changes in legislation as may be deemed advisable.

For the purpose of consulting with and advising the National Board a National Labour Relations Advisory Committee shall be appointed by the Governor in Council composed of the Minister of Labour for Canada and for each of the Provinces, an equal number of members representing employees and an equal number of members representing employers. The Governor in Council may rescind any such appointment at any time, and shall make appointments to fill vacancies which occur from time to time. This Advisory Committee shall meet at least once in every three months, and shall meet at the call of the Chairman of the Advisory Committee or the Chairman of the National Board.

The members of the National and Regional Boards and of the Advisory Committee shall be paid such salaries or per diem allowance as may be fixed by the Governor in Council, and such expenses as may be incurred by them in the discharge of their duties.

Each of the Boards shall make a report in writing covering each month, which shall be completed within thirty days after the end of the month, stating in detail the cases it has heard, and the decisions rendered. Each of the Boards shall within three months after the close of each calendar year, make a report in writing stating in detail the cases it has heard, the decisions rendered, the names, salaries and details of all officials and employees in the employ or under the supervision of the Board, and an account of all moneys it has received and disbursed.

Where used in this Act:

National Board

The term "National Board" means the National Labour Relations Board.

Board

The term "Board" means Regional Labour Relations Board with authority in the Province concerned, but shall mean "National Board" in the application of the Act to "National Employers".

National Employers

The term "National Employers" shall include all employers, as hereinafter defined, engaged in the operation of transportation facilities or public communication systems connecting any Province with any other Province, servicing two or more Provinces, or extending beyond the limits of any Province.

Labour Organization

The term "Labour Organization" means any lawful organization, association, union or other combination of employees, or any local or subdivision thereof, organized or existing for the purpose in full or in part of representing any group

of employees in dealing with their employers concerning grievances, employment relationships, labour disputes or any other matter or problem involved in employee-employer relations, or to regulate the relations between employees and employers. Every local branch, unit or chapter of as well as any National, International, or Independent Labour Organization, operating or doing business in Canada shall be considered as a separate Labour Organization for the purpose of this Act.

Labour Organizer

The term "Labour Organizer" means any person who, for a financial consideration or reward, assists in the organization of, solicits or attempts to solicit membership in or collect dues or fees for any labour organization.

Person

The term "Person" means one or more individuals, partnerships, associations, organizations, corporations, legal representatives, trustees or receivers.

Employer

The term "Employer" means any person, company or other organization employing over twenty-five employees (based on the average of weekly employment for a calendar year), and shall include any person acting for or on behalf of an employer within the scope of his authority, but shall not include any of the following: The Dominion of Canada or any Province or Political Division thereof, or any Board, Commission or other organization created or established thereby; The Industry of Farming; Domestic Servants or others employed in the home; All Professional or Technical persons; any individual employed by his parent or spouse.

Employee

The term "Employee" means any individual employed by an employer to do any work in a non-executive or non-supervisory capacity for wages or reward in any employment to which this Act applies, and shall include any individual whose work has ceased solely as a consequence of or in connection with any current legal strike or lockout, or because of any unfair labour practice on the part of the employer and (a) who has not refused or failed to return to work upon the final disposition of a strike or lockout or a charge of an unfair labour practice by an employer, (b) who has not been found to have committed or to have been a party to any unfair labour practice hereunder, (c) who has not obtained regular and substantially equivalent employment elsewhere, (d) whose place has not been filled by another engaged in the regular manner for an indefinite or protracted period and not merely for the duration of a strike or lockout.

It shall not include any officer, executive, department head, foreman, supervisor, technical man, or any employee in an executive or supervisory capacity or who has authority to employ and discharge.

Committee

The term "Committee" means the Labour Relations Committee formed in any plant or business of an employer as provided for in this Act.

Collective Bargaining

The term "Collective Bargaining" means the conducting of negotiations in good faith by employee and employer members of a Committee covering any matter or problem affecting or relating to employee-employer relations including terms and conditions of employment with the object of arriving at an agreement with reference to the subject under negotiation.

Dispute

The term "Dispute" means any controversy, dispute or difference between the employee and employer members of a Committee, as to matters or things affecting or relating to terms and conditions of employment or in any way connected with or involved in employee-employer relations, which cannot be settled satisfactorily by the members of the committee, as provided for herein.

Strike

The term "Strike" means the temporary stoppage of work by the concerted action of two or more employees, as a result of a dispute.

Lockout

The term "Lockout" means the refusal of an employer to provide work or employment to employees as a result of a dispute.

Unfair Labour Practice

The term "Unfair Labour Practice" means any unfair labour practice as listed in this Act or any practice similar to that listed in this Act.

In the interpretation of this Act the singular shall include the plural, and the masculine shall include the feminine.

Rights of Employees

Employees shall have the right of self-organization, the right to form and join labour organizations, and to bargain collectively as provided for in this Act, and employees shall also have the right to refrain from any or all of such activities.

Nothing in this Act contained shall be deemed to take away the right of the individual employee to present any of his personal grievances directly to his employer.

Unfair Labour Practice—Employers

It shall be an "Unfair Labour Practice" for an employer individually, or in concert with others

- (a) to interfere with, restrain or coerce any employee in the exercise of his right under this Act, provided that no provision in this Act shall be so construed as to deprive any employer of his right of free speech, or his right to communicate with or advise his employees as he may deem advisable.
- (b) To dominate or interfere with the formation or administration of a labour organization or to contribute financial or other support to it, provided that an employer shall not be prohibited from reimbursing employees at their prevailing wage rate for time spent conferring with the employer or his representative.
- (c) To encourage or discourage membership in any labour organization, committee or association, by discrimination in regard to hiring or tenure or other term or condition of employment.
- (d) To refuse to bargain collectively with the employees' members of a Committee, as provided for in this Act.
- (e) To violate the terms of a working agreement, including an agreement to accept an arbitration award.
- (f) To discharge, or otherwise discriminate against an employee because he has filed charges, or given information or testimony in good faith, or because of the exercise of his rights under the provisions of this Act.

- (g) To refuse to furnish upon the written request of an employee whose services have been terminated, a service letter setting forth the tenure of employment, occupational classification and wage rate of the employee.
- (h) To commit any crime or misdemeanour in connection with any controversy as to employee-employer relations.

It shall not be an unfair labour practice for any employer to refuse to grant the check-off, closed shop, union shop, maintenance of membership, employment of men through a labour organization, preferential shop, or any similar provision in a working agreement.

The general right of an employer to select his own employees is recognized, and shall be fully protected. It shall not constitute an unfair labour practice if an employer discharges, suspends, transfers or refuses to employ an employee on account of incompetence, neglect of work, unsatisfactory services, dishonesty, the committing of an unfair labour practice as hereinafter defined or any other proper and sufficient cause.

Unfair Labour Practice—Employees and Labour Organizations

It shall be an "Unfair Labour Practice" for any employee, labour organization or any officer or any agent of a labour organization, acting individually or in concert with others

- (a) to coerce or intimidate an employee in the enjoyment of his legal rights under the provisions of this Act, or to intimidate his family or any member thereof, picket his domicile or attempt to or injure the person or property of an employee or his family or any member thereof.
- (b) to coerce, intimidate or induce any employer to interfere with any of his employees in the enjoyment of their legal rights under the provisions of this Act, or to engage in any practice with regard to his employees which would constitute an "Unfair Labour Practice" if undertaken by him on his own initiative.
- (c) To work for, solicit members for or attempt to organize any labour organization during working hours, or on the premises of the employer.
- (d) To violate the terms of a collective bargaining agreement, including an agreement to accept an arbitration award.
- (e) To restrict, limit or reduce the volume or quality of production or work of any employee or group of employees, or attempt in any way to do so.
- (f) To take part in any strike, unless and until all provisions for the settlement of a dispute and proper notice of strike has been given as provided for in this Act.
- (g) To hinder or prevent, by picketing, threats, intimidation, force or coercion of any kind, the pursuit of any lawful work or employment, or to obstruct or interfere with the entrance to or egress from any place of employment, or to obstruct or interfere with free and uninterrupted use of public roads, streets, highways, railways, airports, or other ways of travel or conveyance.
- (h) To engage in a secondary boycott, or to hinder or prevent by threats, intimidation, force, coercion, sabotage or otherwise the obtaining, use or disposition of materials, equipment or services, or to combine or conspire to hinder or prevent, by any means whatsoever, the obtaining, use or disposition of materials, equipment or services.
- (i) To take, retain, or remain in unauthorized possession of property or any part thereof of the employer or to engage in any concerted effort to interfere with production, except by leaving the premises in an orderly manner for the purpose of going on strike, or to engage in a sit-down strike on premises or property of the employer.

- (j) To commit any crime or misdemeanour in connection with any controversy as to employee-employer relations.
- (k) To demand or require any "stand-in" employee to be employed by an employer or to demand or require that an employer employ or pay for an employee to stand by or stand in for work being done by other employees or to require the employer to employ or pay for any employee not required by the employer or necessary for the work of the employer.

Unfair Labour Practice—General

It shall be "Unfair Labour Practice" for any person to do or cause to be done on behalf of or in the interest of any person, or in connection with or to influence the outcome of any controversy as to employee-employer relations, any act listed herein as an unfair labour practice.

The right of any employer, employee or labour organization to freely express, declare and publish their respective views concerning any labour relationship shall not be abrogated or limited hereby, nor shall the exercise of such right constitute an unfair labour practice, provided that any statement issued, published, or distributed in writing, printed or other form, shall show the name of the person, together with proper address, responsible for the issuing, publication and distribution thereof.

Labour Relations Committee

A Labour Relations Committee shall be formed in any plant or business of an employer upon the request in writing by the employees to the employer, after taking a vote in which a majority of the employees voting indicated their wish to have such a committee formed, or upon the request in writing of the employer to the employees, which may be given by posting on the bulletin boards at the plant or place of business.

Within 15 days after the making of such a request by either party to the other, the employees, shall by vote in open meeting called for the purpose or by secret ballot or otherwise appoint an Election Council to conduct the nomination and election of employee members to the Labour Relations Committee, and to decide on the number of employee members to be elected, which shall not be less than 3, nor more than 25, provided that if in excess of 6 the number shall not exceed one member for each 250 employees.

For the purpose of nomination and election, the employees shall be grouped into as many voting sections as there are members to be elected on as nearly as possible an equal basis, but taking into account the divisions or departments in the plant or business.

Nomination and election of employee members to the Committee shall be held in the first instance within sixty days of the receipt of such a request, and thereafter within sixty days after the end of each calendar year, provided that if the first members are elected during the last half of any year, the second election shall not be held until after the end of the following year.

In the primary and final elections ballots shall be cast on days established by at least three days' notice to members, posted on bulletin boards in the plant or place of business. The employees shall place their ballots in a ballot box in the presence of two or more members of the election council.

Members shall be nominated for election by secret vote of the members at a primary election. Each employee voting shall nominate a candidate for his voting section. The employees, not exceeding three in any case, receiving the highest number of nominating votes shall be the nominated candidates in each voting section.

The final election shall be held not later than one week after the primary election. The election council shall provide ballots on which shall be printed

the names of the candidates nominated in each voting section. The employee receiving the highest number of votes shall be elected, and the employee receiving the second highest number of votes shall be eligible to become a member for his voting section in case the position becomes vacant at any time before the next election.

In the case of both primary and final elections the ballots shall be counted and votes tabulated in the presence of at least two members of the election council. The total number of votes cast in each voting section, and the number received by each candidate shall be certified by at least two members of the election council, and within two days after the final election the results shall be posted on bulletin boards, and a copy forwarded to the employer.

Within five days after receiving advice as to the employee members elected to the Committee, the employer shall appoint a number of employer members, not greater than the number of employee members, and shall post on the bulletin boards a report showing the names of all members elected and appointed to the Committee and the time and place of the first meeting of the Committee, which shall be held within ten days from the posting of such notice.

At the first meeting of the Committee after an election, the members shall appoint a Chairman and Vice-Chairman from amongst their members and a Secretary, who may be other than a member.

The employee members may appoint at such first meeting one outsider as a member of the Committee, and if they do so, the employer shall have the privilege of appointing at the next meeting one outsider as an employer's member.

The members of the Committee shall be responsible for the handling of all matters affecting employee-employer relations, and shall discuss and endeavour to reach agreement on all problems, grievances and other matters brought before it.

Meetings of the Committee shall be called by the Chairman or Vice-Chairman or upon the request in writing to the Secretary of a majority of employee or of employer members by giving two days' notice in writing. Meetings of the Committee shall be held regularly, and at least eight meetings shall be held during each year. All notices of meetings and minutes of meetings of the Committee shall be posted on bulletin boards in the plant or place of business. The employer shall pay the members and employees for the time properly spent in meetings of the Committee and in other activities in connection with the elections and operation of the Committee.

Collective Bargaining

The members of the Committee shall have authority to bargain collectively and to enter into a working agreement.

Employers shall be required to bargain collectively and negotiate a working agreement with the employee members of the Committee, if requested to do so by a majority of the employee members. An employer shall have the right to refuse, without the right of appeal by the employees, to enter into a working agreement which provides for the check-off, the closed shop, union shop, maintenance of membership, employment of men through a labour organization, preferential shop, or any similar provision.

A working agreement shall be limited to cover the employees in the employ of one employer and employed in one plant, except when two or more plants operated by one employer are situated in the same locality, provided that representatives of employees and of employers may make a joint application for wider coverage, and such application shall be subject to the approval of the Board.

Every employer shall file with the Board a true copy of every working agreement entered into with his employees within 30 days after the date of the agreement.

Settlement of Disputes

In case of a dispute which cannot be settled by the members of a Committee a majority of the employee or of the employer members may request that a mediator be chosen, and upon receipt of such request the Committee shall appoint a mediator who is acceptable to both the employee and employer members. If such a mediator has not been appointed within five days after such request, the Secretary of the Committee shall forward a request to the Board for the appointment of a mediator. Upon receipt of such a request the Board shall appoint a mediator within two days, and advise the Secretary of the Committee of the appointment. The Board shall have power to appoint any competent, impartial, disinterested person to act as a mediator in any dispute upon receipt of a request as provided for above or upon its own initiative. It shall be the function of such a mediator to endeavour to have the members of the Committee reach a settlement of the dispute, but neither the mediator nor the Board shall have any power of compulsion in mediation proceedings. The Board shall prescribe reasonable rules and procedure for such mediators, and may prescribe reasonable compensation for the services of a mediator.

If a satisfactory settlement of a dispute cannot be arranged by such a mediator within seven days after his appointment, the Chairman of the Committee shall call a meeting of the members of the Committee for the purpose of establishing a Conciliation Board, which shall include two members who are not directly interested in the dispute, one to be appointed by the employee members and one by the employer members, and a third who shall act as Chairman to be chosen by the two so appointed. If one or both sides have not appointed a member to the Conciliation Board within two days after such meeting of the Committee was held, the Secretary shall request the Board to appoint the one or two members not then appointed. If the two members appointed do not agree upon a third member within two days of the date of the appointment of the last of such two members, then the Secretary shall immediately request the Board to appoint a third member and chairman of the Conciliation Board. The Conciliation Board shall meet within three days after the last member is appointed. All evidence, data, documents and arguments dealing with the dispute in question shall be placed before such Conciliation Board by members of the Labour Relations Committee. The employee members of such a Committee shall appoint not less than two or more than five of their members and the employer shall appoint not more than an equal number of his members to present their case before such a Conciliation Board, or before the National or Regional Board.

The Conciliation Board shall conduct its hearings in such manner as may be determined by the National or Regional Board, and at such times as deemed advisable by it, and shall endeavour to arrive at a decision or agreement in the minimum period of time.

After hearing the members of the Committee, and making any further investigation necessary, the Chairman of the Conciliation Board shall immediately prepare a report, setting out the recommendation of the majority of the Conciliation Board. A copy of such report shall be forwarded to the Secretary of the Committee concerned, and to the National or Regional Board.

The parties to a dispute shall be responsible for the payment of the fees and expenses in connection with the hearing of a dispute by a mediator or a Conciliation Board. Each party to a dispute shall be required to pay 50 per cent of the total of such expense, provided the parties may agree to share the expense on such other basis as they may determine and agree to.

If after receiving the report of the Conciliation Board the majority of the employee or of the employer members of a committee are not prepared to accept the recommendation of the Conciliation Board or agree on a satisfactory settle-

ment, the Secretary shall make application for the hearing of the dispute by the Board. If such a case is heard by a Regional Board, and the Decision is not acceptable to the majority of the employee and of the employer members of the Committee, the Secretary shall make application to the National Board to have the case heard and decision rendered.

Strikes and Lockouts

If after the procedure provided for the settlement of a dispute has been followed, and either party is unwilling to accept the decision of the National Board the workers may hold a strike vote, under the supervision of a representative to be appointed by the Board. It shall be unlawful to call a strike, or go out on strike unless the strike has been approved by a majority of the workers entitled to vote, and then only after 30 days have elapsed from the date on which the employee members of the Committee have notified in writing the employer and the Board of the intention to strike, which notification shall be prepared and forwarded after the holding of a strike vote. Any person who calls or promotes or takes part in a strike without complying with the requirements as set out in this Act, shall be considered to have violated this Act, and shall be subject to the penalties provided herein.

No employer shall resort to a lockout without due process, and then only after 30 days have elapsed from the date on which the employer has notified in writing the employees and the Board of the intention to institute a lockout. An employer who resorts to a lockout without complying with the requirements as set out in this Act, shall be subject to a penalty as provided for herein.

Recourse of Complaint to the Board

The majority of the employees' members of a Committee or an employer or a labour organization may file with the Board a report in writing on a form provided by the Board, reporting any person who may have engaged in specific unfair labour practice, or requesting the Board to inquire into any alleged unfair labour practice or violation of the provisions of this Act by any person. A copy of such report shall be mailed by the Board to all other parties in interest. Any other person claiming interest in the controversy or dispute shall be made a party upon application. The Board may bring in additional parties by service of a copy of such a report.

The Board may if it appears that the alleged resort to unfair labour practice or violation of the Act has occurred.

- (a) restrain such person from continuing such unfair labour practice or violation.
- (b) Direct such person to comply with the provisions of this Act.
- (c) Direct the reinstatement of any person discharged from employment contrary to the provisions of this Act, and the payment to such person of an amount not exceeding the monetary loss which he has suffered by reason of such discharge.
- (d) Suspend the registration of any Labour Organization.
- (e) Make such other or further order as deemed necessary or proper.

Penalties

Any person whether employer, employee, labour organization or agent or representatives thereof, who engages in any unfair labour practice as defined in this Act, or violates the provisions of this Act, shall be guilty of a misdemeanour and upon conviction thereof, shall be subject to a fine of not less than \$25 or more than \$1,000, in addition to any other penalty which is provided for herein.

All acts or part of acts in conflict herewith are hereby repealed.

Canada's Labour Organizations Act

It is recommended that a Dominion Act be enacted to govern the operation of labour organizations and to replace the present Trade Union Act.

Any provisions in the present Trade Union Act which do not conflict with the provisions as outlined below, could be incorporated in this proposed Act, if deemed necessary by changing the term Trade Union, where used, to read Labour Organization.

The proposed Act could be known as "Canada's Labour Organizations Act", and should include the following provisions:—

Where used in this Act the terms shown below, except where specifically defined, shall have the meanings as shown in the proposed Canada's Labour Relations Act.

"Labour Organization."

"National Board" means The National Labour Relations Board.

"Board" means Regional Labour Relations Board or Boards with authority in the Province or Provinces in which the labour organization concerned operates or engages in business. In the application of this Act to any labour organization the majority of the members of which are employed by "National Employers" the term "Board" shall be read to mean "National Board".

"National Employers."

"Labour Organizer."

"Person."

"Employer."

"Employee."

In the interpretation of this Act, the singular shall include the plural, and the masculine shall include the feminine.

Registration of Labour Organizations

No Labour Organization shall operate in any part of Canada unless it is registered under and complies with the provisions as set out in this Act. All Labour Organizations existing and operating at the date on which this Act becomes effective shall make application for Original Registration within 60 days from such date. Labour Organizations which wish to commence operations after this Act becomes effective, must make application and receive a Registration Certificate before starting operations.

All Labour Organizations must apply for a renewal of registration before April 1st of each year, and must not continue to operate after May 1st of each year unless a Renewal Registration Certificate has been received from the Board.

Application for Original and Renewal Registration shall be made to The Board in such form as approved by the Board and shall be accompanied by a fee of \$25 in each case.

The Board may, after investigation and review, reject any application for Registration or renewal thereof, or issue an Original Registration Certificate or Renewal Certificate as it deems fit. Such Registration shall be for one year or part thereof from May 1st to April 30th inclusive.

The Board may revoke and terminate any such Registration at any time but shall do so only after giving the officers of the Labour Organization concerned an opportunity to be heard before the Board.

Labour Organizers to Register

Any Labour Organizers engaged in Canada by or on behalf of a Labour Organization must register with the Board. All Labour organizers shall make application to the Board for Original Registration before starting to operate

and for the yearly renewal thereof before April 1st of each year on such form as approved by the Board which shall be accompanied by a fee of \$5 in each instance.

The Board may approve or reject any such application as it deems fit. If the application is approved, the Board shall issue a card marked "Labour Organizer" on which shall appear name and address, Labour Organization represented, period effective, space for signature of applicant and it shall be signed by the Secretary of the Board. Such Registration shall be for one year or part thereof, from May 1st to April 30th inclusive.

The Board may revoke any such Registration at any time by notice in writing to the Organizer sent to his address, as shown on the Board's records. A Labour Organizer shall, at all times when representing a Labour Organization, carry such Registration card and shall exhibit same when requested to do so.

Officers

Officers, executives, directors and trustees of a Labour Organization shall be nominated and elected by secret ballot of the members at least yearly. Every officer of a Labour Organization shall be responsible for the compliance by such organization with the provisions of this Act.

No alien or person who has served a term in prison shall lawfully serve a Labour Organization as an officer, executive, director, trustee, agent, organizer or in any other capacity.

Books of Account

Every Labour Organization shall keep accurate and detailed records and accounts, itemizing all receipts and expenditures stating sources and purposes, and a complete record of all proceedings at the meetings of its officers and members.

Every Labour Organization shall keep a member's Register in such form as may be approved by the Board, showing the date on which the member was admitted to membership and the date on which he ceased to be a member. Such register shall show the amount of initiation fees, dues assessments, fines and other amounts paid to the union by each member.

Any member of a Labour Organization or representative of the Board shall be entitled to inspect all books, records and accounts at all reasonable times and Labour Organizations shall, upon demand, make such books, records and accounts available for such inspection.

Initiation Fees, Dues, Assessments, etc.

Initiation fees, membership fees and dues shall in the first instance be fixed by the By-Laws of a Labour Organization, and at all times shall be reasonable and not discriminatory, and shall be subject to the approval of the Board.

The dues or fees shall not be increased nor shall special assessments be levied upon the members except after authorization by a majority vote of the members and after receiving the written approval of the Board.

The Board shall have the right and power to order changes or alterations with respect of any fees, dues or assessments.

Any person who was a member in good standing of any Labour Organization prior to joining the fighting services in Canada, or any of her allies, during the time of War or National Emergency, shall upon application be reinstated as a member of such Labour Organization to which he belonged, in good standing without payment of any further initiation fee, or of any back dues.

It shall be unlawful for any officer, organizer, or other representative of a Labour Organization, to collect any moneys from any person until such person has become a bona fide voting member of such Labour Organization.

Funds

A properly authorized officer or representative of a Labour Organization shall issue a signed receipt for all funds received from members. All funds received shall be deposited in a Chartered Bank in the name of the Labour Organization, or of its Trustees, and shall be used to pay proper operating expenses of the organization on such basis as may best serve its members. A Labour Organization shall not pay any of its funds to any similar organization outside of Canada, but such funds shall be expended in Canada for the benefit of the members.

A Labour Organization shall not make any expenditures except upon the authority of a voucher approved by the proper officers and accompanied by receipted vouchers in detail for the individual expenditures making up the total. Such vouchers shall be kept on file by the Organization for at least five years.

It shall be unlawful for any Labour Organization to make any financial contributions directly or indirectly to a political party or to any person running for public office.

Annual Report

Every Labour Organization shall, within 60 days from the date this Act becomes effective, and within three months after the end of each calendar year, but not before its annual elections and annual meeting of members have been held, make and file with the Board, an annual report of its condition, and affairs as of the 31st day of December immediately preceding, excepting on items where otherwise specified. Such report shall be filed with the Regional Board of each province in which the Labour Organization operates and also with the National Board in the case of a Labour Organization the majority of the members of which are employed by a National Employer. A filing fee of \$5 shall be forwarded with each Annual Report. The Board may for good cause extend the time for filing such report for a period or periods not to exceed sixty days in the aggregate. The Annual Report shall be signed by the President or Vice-President and the Treasurer or Secretary, and shall set out, show and include:

The name of the Labour Organization;

A certified copy of its constitution, by-laws and other organization papers unless previously filed or an amended copy of same when adopted replacing the last copy filed;

A copy of any Amendments to the Constitution, by-laws and other organization papers adopted since the filing of the last annual report, must be filed with the Board within thirty days after the adoption of such amendments;

The address at which it has its principal office or does business;

The names, titles and addresses of all of its officers, directors, organizers, or other authorized agents as of the date of the report;

A schedule showing all fees, dues, fines and assessments in effect and specific fines and assessments levied during the preceding year;

Limitations on membership, if any;

Number of paid-up members whose dues were not more than 2 months in arrears;

The date of the last election, the method of nomination and election and the votes cast for and against each candidate for office;

A statement as to the areas or territory wherein said Labour Organization has during the preceding year performed any functions or engaged in business.

A statement showing description and value of real estate, personal property and other assets owned or held, including bank deposits, and description and amount of all liabilities.

A statement of its receipts for the preceding year showing in separate items the amounts by sources or classes of income, i.e. dues, fees, fines, assessments, etc.

A statement of its expenditures during the preceding year showing each class of expenditure separately and in detail, including the names and addresses of all payees who have received directly or indirectly \$50 or more from the Labour Organization during the period covered by the statement.

The statement of assets and liabilities and receipts and expenditures shall be certified by a public accountant, and a copy of such statement for the preceding year shall be furnished to each member of the Labour Organization within three months after the close of the year. A copy of the most recent statement shall be handed or delivered to each prospective member before being requested to sign an application for membership.

Any Labour Organization registered under this Act shall deliver a copy of its constitution and by-laws to each prospective member without charge and to any other person on demand of payment of a sum not exceeding 25 cents.

The Board shall provide a record of the reports filed hereunder, and may from time to time by regulation prescribe the form of any such reports and may request any additional detail or data to be included therein or otherwise required by the Board. All such records as held by the Board shall be public records and open for inspection upon payment of a fee of \$2 for the inspection of the records of any one Labour Organization.

Every Labour Organization which organizes or becomes active in Canada after this Act becomes effective shall forthwith make a report to the Board including all information required in the annual report, as set out above, except on items which are not applicable.

Annual Meeting

Every Labour Organization registered under the Act shall hold an Annual Meeting of members within two months after the termination of each calendar year. Ten days written notice shall be given to all members of any annual or special meeting, which notice shall contain a statement of the business to come before the meeting, and shall be posted at the regular office or meeting place of the Organization and on the Bulletin Boards at the Plants and businesses where members are employed.

If not determined by nomination and election delegates to national conventions may be chosen by secret ballot of the members at an annual or special meeting of members called by notice stating this as one of the purposes of such meeting.

Voting on any matter in meetings of members shall be by secret ballot in each specific case if so requested by two or more members.

Upon written request of any ten members of a Labour Organization a reporter approved by the Board as competent shall be employed by a Labour Organization to report all proceedings at any meeting of its members, and such reporter shall file one copy thereof with the Secretary of the organization, and one copy with the Board, which copy shall be prima facie evidence as to the proceedings thereat.

Elections

Nomination and election of officers, directors and other officials shall be held within two months after the end of each calendar year, and results shall be determined in a democratic manner, and by secret vote of the bona fide members in good standing. For this purpose the officers shall appoint an election committee which shall not include any of the officers.

In the primary and final elections ballots shall be cast on days established by at least ten days' notice to members posted at the regular office or meeting

place of the organization and on the bulletin boards at the plants and businesses where members are employed. Members shall place their ballots in the ballot box at the regular office or meeting place of the organization, or shall mail their ballots to the Secretary in a sealed envelope clearly marked "ballots" and such mailed ballots shall be opened and placed in the ballot box by the Secretary in the presence of two or more members of the election committee.

Members shall be nominated for the various offices and positions by secret vote of the members at a primary election to be held at least ten days before the final election. Each member voting shall nominate a candidate for every office and position to be filled by election. The members, not exceeding three in any case, receiving the highest number of nominating votes for each office or position shall be the nominated candidates for election.

The final election shall be held not later than two months after the end of each calendar year. The Election Committee shall provide printed ballots with the names of the candidates nominated for each office or position printed thereon. The member receiving the highest number of votes for each office or position shall be elected. The member receiving the second highest vote may be appointed by the remaining officers to the office or position in question, in case it becomes vacant at any time before the next election.

In the case of both primary and final elections the ballots shall be counted, and votes tabulated in the presence of at least three members of the election committee. The total number of votes cast for each office or position, and the number received by each candidate shall be certified by at least three members of the Election Committee.

Members and Applicants Rights

Any member of a Labour Organization charged with an offence under its constitution or by-laws, or any applicant for membership whose application has been rejected shall upon written request be granted a fair and public trial or hearing by officers of a Labour Organization. Such a member or applicant shall be given reasonable notice in writing of the charge preferred against him, or reason for rejection of his application, and he shall be granted the right to be represented by his attorney or representative, and to confront any witness appearing against him.

Any punishment or penalty of a Labour Organization against any of its members shall not become effective until ten days after written notice thereof has been given to such member, and a copy filed with the Board. Upon complaint in writing by such member within such ten-day period to the Board and to the Labour Organization, the said punishment or penalty shall be stayed until the complaint has been heard by the Board upon reasonable notice to all parties.

Any member of a Labour Organization who has a complaint against such organization or any officer or representative thereof which involves his right to work, punishment, election, dues, assessments, fees; or malfeasance of any officer, shall have recourse to the Board, provided he has made every reasonable endeavour to secure adjustment of his complaint by the officers of such Labour Organization.

Recourse or Complaint to the Board

Any member of a Labour Organization, after having made a reasonable endeavour to secure adjustment of a complaint by the officers of such organization, or any person, employer or Labour Organization having an interest may file with the Board a report in writing on a form provided by the Board charging any person with violation of the provisions of this Act or with unfair practice or requesting the Board to inquire into any indicated violation of the

provisions of this Act by any person. A copy of such report shall be mailed to the person concerned, and all other parties in interest. The Board may bring in additional parties by service of a copy of the report.

The Board shall, if it appears that a violation of the Act has occurred, or unfair practice is being followed, order a labour organization or person to comply with the provisions of this Act, or to discontinue such unfair practice, and the Board may make such other or further orders as deemed proper by it.

If any Labour Organization violates any provision of this Act, or engages in any unfair practice, its Registration, as provided for in this Act, may be suspended by the Board in which case it shall not carry on any operations except to appear before the Board or to defend any action or proceeding brought or pending before the Board or in any Court against such Labour Organization.

Any Labour Organization may be relieved from such suspension upon making application therefor in writing to the Board filing the required report or performing the necessary act and paying to the Board a penalty of \$25 for each and every month or fractional part thereof, which has elapsed since the date of such suspension, and upon the issuance by the Board of a Certification of Reviver if deemed advisable.

Any person who attempts or purports to exercise any of the rights, privileges or powers of a Labour Organization after such a suspension or of any Labour Organization not Registered as provided for in this Act, shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not less than \$25 or more than \$1,000, in addition to any other penalty included in this Act.

All Acts and parts of Acts in conflict herewith are hereby repealed.

Extract from Barrons, March 31, 1943:

Which Way to Post-War Jobs?

WHY PRIVATE INVESTING IS MORE EFFECTIVE AND LESS DANGEROUS THAN GOVERNMENT SPENDING.

By JOHN W. HANES
(Former Under-Secretary of the Treasury)

Many bureaus in Washington are making grandiose plans to provide post-war jobs for all Americans. Nobody questions the vital necessity of providing the post-war jobs. But the Washington planners propose to employ them on "public works" projects into which millions of dollars will be poured.

Before the war ends the Government will already have borrowed some \$300 billion. With our financial senses dulled by ten years of federal prodigality, many of us don't realize the disastrous consequences of that staggering and unprecedented debt. But thoughtful economists are already profoundly worried about it. How, they wonder, can our nation survive so crushing a burden? The planners' answer is—borrow more; on top of the billions borrowed for war, pile additional billions of peacetime debts!

Federal Borrowing vs. Business Borrowing

In planning post-war jobs, one basic distinction should be understood by every citizen; the fundamental difference between a government borrower and a private business borrower. The difference may be as great as between national prosperity and national ruin.

When a corporation borrows a million dollars and builds a factory it produces goods. It sells the goods at a profit. Thus it sets for itself an income out of which it can pay the interest on the money it borrowed and ultimately the

debt itself. But the Government, save in exceptional cases, builds no factories, opens no stores. It produces no goods and few services which it offers for sale. Hence the money it borrows creates no revenue out of which the interest or the debt can be paid. The Government can get money to pay the interest only by taxing it out of those individuals and private industries that are paying their own way. As it taxes them more and more heavily to pay interest on an ever-increasing debt, it makes it harder for them to pay their own way. Such government borrowing, then, eventually becomes not only sterile in itself but also destructive of the consumer's purchasing power and of the fertility of private enterprise.

And there is another difference, even more important. If I, as a private citizen, borrow a million and spend it on charity—inventing jobs for men—I do a certain amount of good. But when the million is spent my charity is at an end. If I wish to keep on hiring those men, I must borrow and spend another million. Now suppose, not as charity but as a business proposition, I borrow a million and build a factory. I hire men to build it and to operate it. I buy raw materials, produce goods and send them to market. With the money I receive for my product I can go on hiring the men and continue to buy raw materials. I have created an organism which is an instrument of continuous wealth production and continuous employment.

Significance of Staggering Government Debt

The Government does not create this kind of enterprise. It borrows money and spends it perhaps on many useful things. But these things do not produce revenue for the Government. Hence, when the borrowed million is spent, if the Government wishes to continue to hire the people, it must borrow again—and again and again. Dollars spent in private enterprise keep people working indefinitely; dollars spent by the Government provide only temporary work.

There is another difference. The interest on a moderate government debt is not serious; but when the interest gets bigger than all the other expenses of the government it becomes a perpetual national headache. At the end of the war, the interest on our national debt, at 3 per cent will be \$9 billion. That means that you and I will have to pay in taxes, to cover the interest alone (without reducing by a dollar the total of the debt) more than the greatest amount of taxes ever levied for all purposes before Pearl Harbour!

At the bottom of this is the central fact that private business is an "investor"; the Government is a "spender". When you pay out money which you never expect to see again either in principal or profit, you "spend" it. You may spend it wisely or foolishly; but in either case it is gone. Some so-called "new economists" say that building a park, a road, a playground is an "investment". But this is only juggling with words. Government money spent for a playground may pay "dividends"—in better citizenship; but this is not investment in the true economic sense. You "invest" when with your money or labour you create an organism which produces wealth and income. Private business does that; Government does not.

There is one more great—and sad—difference between national spending and private investing. When a private corporation becomes crushed under debts, it can go into bankruptcy and have them wiped out. The private lenders lose. But the corporation may proceed, unencumbered by debt, to a new long life of usefulness. This has happened at one time or another to most of our railroads.

National government debt, on the other hand, is fixed and irrevocable. If it becomes too big to handle, the Government cannot go into bankruptcy. It must extinguish the debt by the violent and destructive process of inflation. This happens when the Government, needing astronomical sums, can no longer get

them in taxes or loans from the people, and has to borrow inordinately from the banks. The resulting inflation puts the Government's books in shape, but it proves ruinous to the people. Wages never keep up with the skyrocketing prices, so even though the worker may find more money in his pay envelope he can buy less and less with it. Millions receiving wages or salaries or fixed incomes are reduced to direst poverty; the prices of even the plainest necessities of life soar out of reach of their pocket books.

Such is the inevitable consequence of our post-war planners' "New Economics". There is nothing new about it. Every European nation has used it during the past century. Italy tried it before Mussolini; the old government floated dangerously on public debt. In the end this paved the way for Fascism. Since Mussolini came to power, public debt as a prop to business has been an essential element of Fascism. France, from 1820 to the eve of World War II, continuously increased her public debt. Twice she sought escape in inflation. She is going through the third escape. The German Government after World War I used it, and Germany's economists began preaching then the "New Economics". Hitler adopted their theories. Germany has had one disastrous escape through inflation, and will have another.

Despite such ominous precedents, our own "new economists" in Washington propose to go on borrowing billions for post-war work-projects as a permanent national plan. They say this is necessary because our private enterprise system is drying up. They lament that never again will we see the many opportunities for investment that appeared in the past. The frontiers are gone. There are no longer any great inventions like the railroad and the automobile to change our forms of life and produce endless opportunities for the private investor. Therefore, they say, the Government, when the war ends, must do what it is doing now—it must borrow all the savings of the people which private industry cannot absorb and spend them to create employment.

But we have seen that government-made-work on borrowed billions does not produce, as private industry goes, prosperity, but leads ultimately to catastrophe. A Government that lives on borrowed dollars lives on borrowed time.

Is it not clear then that the one big problem of this country on the material side is to get the creative process of private production and distribution of wealth started again? In all of the planning in Washington it is singular that nobody seems to be planning to accomplish this. And this is because at the bottom of all the planning that is going on is the conviction of the planners that private enterprise as a dynamic instrument is done.

That doctrine of despair has been preached before, in our own history, and has been disproved by the irrepressible creative genius of our people. To-day industrial leaders know that possibilities for post-war expansion are greater than ever. There can be new inventions, new products, new services, that the bureaucratic mind would never conceive, but that the system of competitive enterprise invariably creates.

So I believe that the first thing to do is to put the planning for the future in the hands of men who do not think we are washed up; who are convinced that with vision and resolute leadership, American business again can lead the way to post-war prosperity.

COPY OF THE GALLUP POLL OF CANADA—APRIL, 1943

Memo to Editors

Here is some more detailed information on our labour release of April 10, 1943, which we thought you might be interested to receive.

Questions	Answers	Replies by all Persons	Replies by Labour Union Members	Replies by Non-members of Labour Unions
		%	%	%
1. Do you believe that you, as a worker, should be able to work for anybody you wish who is willing to hire you, whether or not you belong to a union?	YES	79	69	83
	NO	12	25	8
	UNDECIDED	9	6	9
2. Do you believe that every worker should be able to join a union or not join a union as he sees fit without affecting his job?	YES	80	72	83
	NO	11	23	7
	UNDECIDED	9	5	10
3. Should an employer be allowed to hire any worker he wants to, whether or not the worker belongs to any union?	YES	75	60	80
	NO	16	33	10
	UNDECIDED	9	7	10
4. When the majority of workers in an industry belong to a union, should the employer be compelled to deal with that union?	YES	60	82	53
	NO	25	11	30
	UNDECIDED	15	7	17
5. Should the remaining workers (the minority) be able to join their own union and have it recognized as well?	YES	50	42	52
	NO	31	47	27
	UNDECIDED	19	11	21
6. Do you feel that you, as a buyer of the goods produced, might be affected by any wage agreements made in Canadian industries?	YES	50	43	53
	NO	26	33	24
	UNDECIDED	24	24	23
7. Do you think that, generally speaking, labour is being wisely led?	YES	33	46	29
	NO	37	32	39
	UNDECIDED	25	17	28
	QUALIFIED	5	5	5

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